

10251. By Mr. SWICK: Petition of Rev. S. Wilmer Beitler and 112 members of the First Presbyterian Church, Butler, Pa., urging the preservation and enforcement of the eighteenth amendment and Volstead Act and the adoption of proposed amendment to exclude aliens from count to apportion Representatives; to the Committee on the Judiciary.

10252. By Mr. TARVER: Petition of 200 citizens of the District of Columbia, opposing the repeal of the eighteenth amendment and the return of the liquor traffic to the District of Columbia; to the Committee on the District of Columbia.

10253. By Mr. TAYLOR of Colorado: Petition protesting against the repeal of the eighteenth amendment and the enactment of House bill 13742, authorizing the manufacture and sale of beer containing 4 per cent alcoholic content; to the Committee on the Judiciary.

10254. By Mr. TEMPLE: Petition of Canonsburg Sportsmen's Association, Canonsburg, Washington County, Pa., supporting Concurrent Resolution No. 6, American conservation week resolution; to the Committee on the Judiciary.

10255. By Mr. WATSON: Resolution passed by the Washington Camp, No. 196, P. O. S. of A., Allentown, Pa., favoring a prohibitive tariff on foreign coal; to the Committee on Ways and Means.

10256. By Mr. WELCH of California: Petition of the California State Senate Joint Resolution No. 9, adopted in senate January 26, 1933, and adopted in assembly January 26, 1933, urging passage of Senate bill No. 1197, known as the farmers' farm relief act; to the Committee on Agriculture.

10257. By the SPEAKER: Petition of the city of Phoenix, advocating the issuance of national currency to municipalities on the pledge of their bonds; to the Committee on Banking and Currency.

10258. Also, petition of Boyle Heights Post, No. 1556, Veterans of Foreign Wars, Los Angeles, Calif., urging that the National Economy League be forced to file report with the Clerk of the House of Representatives, as required by law; to the Committee on the Judiciary.

SENATE

WEDNESDAY, FEBRUARY 8, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 5357) to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 4165. An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class; and

S. 4339. An act repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma.

The message further announced that the House had passed the following bills and joint resolution of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof;

S. 3950. An act to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the

disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States; and

S. J. Res. 167. Joint resolution to carry out certain obligations to certain enrolled Indians under tribal agreement.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 5329. An act to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," as amended by the act of March 2, 1929;

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes;

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 11816. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes;

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompahgre Bands of Ute Indians of Utah, and for other purposes;

H. R. 13521. An act to transfer control of building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior;

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495);

H. R. 13770. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

H. R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 13974. An act granting the consent of Congress to Bonner County, State of Idaho, to construct, maintain, and operate a free highway bridge across Pend Oreille Lake at the city of Sandpoint, in the State of Idaho;

H. R. 14060. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near The Dalles, Oreg.;

H. R. 14129. An act to extend the time for completing the construction of a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill., and a bridge across the Michigan Canal, otherwise known as the Ogden Slip, in the city of Chicago, Ill.;

H. R. 14200. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 14228. An act to change the name of "Roosevelt Island" to "Theodore Roosevelt Island";

H. J. Res. 434. Joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act;

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932; and

H. J. Res. 565. An act to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933.

THE JOURNAL

Mr. FESS. I ask unanimous consent for the approval of the Journal for the calendar days of February 6 and 7, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I ask that the Interior Department appropriation bill be proceeded with.

The Senate proceeded to consider the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask that the formal reading of the bill be dispensed with, and that the committee amendments be considered first.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Keyes	Schuyler
Austin	Davis	King	Sheppard
Bailey	Dickinson	La Follette	Shipstead
Bankhead	Dill	Lewis	Shortridge
Barbour	Fess	Logan	Smith
Barkley	Fletcher	McGill	Smoot
Bingham	Frazier	McKellar	Stelwer
Black	George	McNary	Stephens
Borah	Glass	Metcalf	Swanson
Bratton	Glenn	Moses	Thomas, Idaho
Brookhart	Goldsborough	Neely	Townsend
Bulkley	Gore	Norbeck	Trammell
Bulow	Grammer	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	Oddie	Wagner
Caraway	Hastings	Patterson	Walcott
Clark	Hatfield	Pittman	Walsh, Mass.
Connally	Hayden	Reed	Walsh, Mont.
Coolidge	Hebert	Reynolds	Watson
Copeland	Hull	Robinson, Ark.	Wheeler
Costigan	Johnson	Robinson, Ind.	White
Couzens	Kean	Russell	
Cutting	Kendrick	Schall	

Mr. LA FOLLETTE. I desire to announce that my colleague the junior Senator from Wisconsin [Mr. BLAINE] is unavoidably absent from the Senate.

Mr. NORRIS. I wish to announce that my colleague [Mr. HOWELL] is absent on official business of the Senate.

Mr. FESS. The junior Senator from Wyoming [Mr. CAREY] is also absent on official business of the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

LEASE OF THE BOSTON POST-OFFICE GARAGE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, which were, on page 1, line 3, to strike out the word "directed" and insert "authorized"; on the same page, line 11, to strike out "and purchase" and insert a comma and "and the purchase"; on the same page, line 12, to strike out "from the date of the lease" and insert "under the lease from the date of the enactment of this act, but not in excess of"; and on the same page, line 13, after the word "options," to insert "not in excess of."

Mr. MOSES. I move that the Senate nonconcur in the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ODDIE, Mr. MOSES, and Mr. MCKELLAR conferees on the part of the Senate.

REMOVAL OF LAND-GRANT DISCRIMINATIONS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4165) to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class, which was, on page 1,

line 9, to strike out "between the stations of Humboldt and" and insert "from a point about 4 miles south of Humboldt and through the station thereof to."

Mr. NYE. I move that the Senate concur in the House amendment.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Arkansas, which was referred to the Committee on Agriculture and Forestry.

House Joint Memorial 4 to Congress of the United States of America to enact into a law an act to authorize the Federal Farm Board to dispose of the surplus cotton and wheat by the said board; if possible, converting the cotton into clothing and wheat into food for the needy and unemployed of our Nation

To the honorable Senate and House of Representatives of the United States of America:

Your members of the Forty-ninth General Assembly of the State of Arkansas, the senate and house concurring, respectfully request that—

Whereas the unemployment situation of our Nation is very serious, causing an unusual amount of suffering and distress; and Whereas the cotton and wheat held by the Federal Farm Board could be utilized toward mitigating the suffering of the destitute and unemployed of our Nation; and

Whereas the cotton and wheat held by the Federal Farm Board is a great hindrance in the stabilization of the prices of these commodities: Now, therefore, be it

Resolved by this legislative assembly, That it urges the enactment by Congress some act by which the Federal Farm Board may dispose of this cotton and wheat held by them to some good purpose; be it further

Resolved, That a copy of this memorial be forwarded to the Senate and House of Representatives of the United States and to each of the Senators and Representatives from Arkansas in Congress.

Approved February 6, 1933.

The VICE PRESIDENT also laid before the Senate a resolution of the Legislature of the State of Arkansas, favoring the prompt passage of legislation known as the Glenn-Smith bill providing for the refunding by the National Treasury of all levee and drainage district bonds, etc., which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented by Mr. ROBINSON of Arkansas on February 7, p. 3489, CONGRESSIONAL RECORD.)

Mr. ASHURST presented the following joint memorial of the Legislature of the State of Arizona, which was ordered to lie on the table:

House Joint Memorial 2

To the honorable the PRESIDENT OF THE UNITED STATES:

Your memorialist, the Eleventh Legislature of the State of Arizona, in regular session assembled, respectfully represents:

The State of Arizona, in common with every State in the Union, is confronted with the important task of providing employment for its citizens.

Funds are appropriated from time to time by the Congress of the United States for the construction of Federal public buildings and the construction of national-forest, national-park, and national-monument highways within the State of Arizona, upon which considerable numbers of men are employed.

Many of the contracts for such work are let to contractors located outside of Arizona, who usually, if not invariably, import into the State the labor required for their completion.

The employment of needy citizens of this State on such work would in some measure alleviate the serious unemployment situation in Arizona; would be a just policy, in that it would avoid adding to Arizona's burdens and duties in the matter of police protection and the protection of the legal rights of persons permanently or temporarily residing within its borders; would be a justifiable policy from an economic standpoint, since it would obviate the expense of transporting employees from other parts of the United States; and, finally, would work no injustice to any community.

Wherefore your memorialist prays that departments of the United States Government having under their charge and control the awarding of contracts for the construction of public works within the State, or the supervision of such works, if any, by force account, pursue the policy of establishing a reasonable and equitable preferential basis in connection with such contracts and works in favor of Arizona contractors, Arizona material, and par-

ticularly of Arizona labor, and that the good offices of the President of the United States be exerted to this end.

Wherefore your memorialist will ever pray.

Mr. VANDENBERG presented the following concurrent resolution of the Legislature of the State of Michigan, which was referred to the Committee on Foreign Relations:

A concurrent resolution urging the United States Senate to expedite a vote upon ratification of the Great Lakes-St. Lawrence seaway treaty.

Whereas the Great Lakes-St. Lawrence seaway treaty is now in the hands of the Foreign Relations Committee, having passed through the hands of a subcommittee where full and comprehensive hearings were granted to all interested parties; and

Whereas sufficient publicity has been given to this project so as to enlighten the whole of our people; and

Whereas it now appears that there exists a real and imperative need for a waterway outlet for the products of the great Middle West; and

Whereas it appears that the immediate effect of ratification would result in the expenditure of large sums of money for labor and materials; and

Whereas such outlay by the Government would permit of great increase in employment, thereby lessening the burden of the present depression for which there seems to be no immediate remedy: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the fifty-seventh Legislature of the State of Michigan requests the Senate of the United States to delay no longer in bringing the matter of ratification before that body for final consideration.

January 18, adopted by the senate.

February 2, adopted by the house of representatives.

DON W. CANFIELD,
Secretary of the Senate.
MYLES F. GRAY,

Clerk of House of Representatives.

Mr. KING presented a resolution adopted by the Board of Commissioners of Salt Lake City, Utah, favoring the passage of legislation to exempt from taxation States, State agencies, and publicly owned utilities, which was referred to the Committee on Finance.

Mr. KING also presented a resolution adopted by the Board of Commissioners of Salt Lake City, Utah, favoring the passage of legislation to establish a standard of integrity and sound economy of municipal bond issues and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive currency on the pledge of their bonds, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by the Board of Commissioners of the city of Kansas City, Kans., favoring the passage of legislation authorizing the issuance of a special series of postage stamps in honor of an anniversary of Brig. Gen. Thaddeus Kosciuszko, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by the Christian Church of Tyro, the University Meeting of Friends of Wichita, and local chapters of the Woman's Christian Temperance Union of Arnold, Concordia, and Downs, all in the State of Kansas, favoring the passage of legislation to regulate and supervise the motion-picture industry, which were ordered to lie on the table.

REDUCTION IN FREIGHT RATES

Mr. CAPPER. Mr. President, transportation costs continue to be one of the heavy fixed charges which the American farmer must meet. No group in the Nation more directly feels the burden of these charges than does agriculture, because it must pay freight to market on its products and also on necessary supplies shipped to the farms from far-distant factories.

The three national farm organizations, the Farm Bureau, the Farmers Union, and the National Grange, together with the National Coal Association and the National Lumber Manufacturers Association, have recently filed with the Interstate Commerce Commission a memorial petition for a general reduction of freight rates on basic commodities.

As is stated in this petition, the Interstate Commerce Commission is asked by the petitioners—

To order the carriers by railroad engaged in interstate and foreign commerce to appear and show cause why an order should not issue requiring them to cease and desist from charging the

present high level of freight rates upon all basic commodities, and that an order issue requiring them to readjust their freight-rate levels (save and except in those cases where the rates have been reduced to meet competitive agencies of transportation) to meet the emergency which continues to confront the basic commercial industries of the country.

There are those who might think that such a petition would strike at the welfare of the railroads, but there are many who believe that such action on the part of the railroads would so increase their tonnages that the net revenue at the end of each fiscal year would be greater for the railroads than is now the case, to say nothing about the increased ability of the railroads on account of such reduction in freight rates more adequately to meet competitive transportation agencies.

I offer this memorial petition to be printed in the CONGRESSIONAL RECORD and for appropriate reference.

There being no objection, the petition was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

To the Honorable Interstate Commerce Commission:

A serious public emergency exists with respect to the production and distribution of the products of the basic industries of the United States. The present unreasonably high level of freight rates contributes materially to the deplorable conditions now existing and constitutes an effective barrier to revival of trade in these basic commodities.

Your petitioners respectfully request your honorable body to recognize the existence of this emergency and the importance of the freight-rate level in connection therewith, and to order rail carriers engaged in interstate and foreign commerce to appear forthwith in an ex parte proceeding and show cause why they should not be required immediately to cease and desist from charging the present unreasonable and inordinately high freight rates upon basic commodities.

Your petitioners further respectfully request that subsequent proceedings be conducted without burdening the public with the cost and expense of any further public hearings than may be absolutely necessary to consider the charges made herein.

In support of this petition the undersigned respectfully represent:

I

The severe decline in the price level of basic commodities with substantially no decline in the freight-rate level has thrown the economic structure so seriously out of balance as to imperil the ability of the industries represented by your petitioners to supply traffic for the railroads

Since the beginning of the depression and despite all corrective efforts prices on nearly all commodities have continuously and materially declined. There has not been a corresponding decline in the cost of transportation by rail. The situation with respect to commodity prices and freight costs is graphically portrayed in Exhibit 1 appended hereto. In each of the basic industries represented herein the situation is not materially different from that portrayed by the graph.

Both transportation and production are major factors in the machinery of supplying the public with its commodity requirements. When adequate transportation is not available at reasonable cost, the products of industry and agriculture are denied access to markets, and as a result production declines. This is particularly true in the case of those commodities on which the transportation costs constitute a substantial proportion of the sales prices.

It may be conceded that freight rates should be more stable and fixed than commodity prices which fluctuate constantly and violently. But when commodity prices continue to fall for a substantial period of time, the maintenance of high freight rates imposes an undue and ever-increasing burden on the shoulders of producers and distributors of commodities subject to heavy transportation charges. In fact, such producers and distributors are in effect called upon to bear, in addition to their own burden of declining prices, the burden of the failure of transportation costs to decline. Practically speaking, the additional costs which are in fact thereby imposed are in the nature of a bounty paid for transportation services. When commodity prices decline to the point at which there is no longer any profit this bounty must be paid out of the capital assets of industry, and its continued payment means the destruction of such capital assets. This destructive process is already under way, and it is not without importance that the industries suffering most are those upon which the railroads depend for the maintenance of traffic. It will continue as long as rail transportation costs fail to conform to the prevailing economic trend of lower prices.

This process of destruction must be arrested before the industries called upon to pay excessive transportation charges are completely destroyed. The level of freight rates must be adjusted so as to put it in accord with prevailing economic conditions. The price of railroad transportation is one of the most vital major factors in the process of production and distribution which is not conforming to the prevailing economic trends of lower prices.

II

The situation to-day is similar to that which induced the commission to take action in the proceeding known as Reduced Rates, 1922, except that the disparity between the level of commodity prices and freight rates is now much greater

In recognition of the increase in commodity prices, and operating costs of the carriers during the period of the World War, a general increase of 25 per cent in freight rates was ordered by the Director General of Railroads through General Order No. 28, effective June 25, 1918. Prices and costs continued to increase throughout the war and postwar periods, and after the relinquishment of Federal control of the railroads on March 1, 1920, this commission immediately instituted an investigation to determine whether further increases should be made in the freight rate level. This investigation was conducted with great expedition, and the decision was announced July 29, 1930, in Increased Rates, 1920 (58 I. C. C. 220). At that time some of your petitioners, together with numerous other industries, came before the commission and advocated substantial increases in freight rates for the reason, among others, that the increase in basic commodities prices was relatively greater than the increase in freight rates. In recognition of this fact the commission permitted general increases in freight rates ranging from 25 per cent to 40 per cent in different sections of the country.

Beginning with 1921 prices of practically all basic commodities declined substantially, and before the close of the year the freight-rate situation was precisely the opposite of that which was considered by the commission in 1920. The increases in transportation costs approved in 1920 had become a serious burden on the production and distribution of commodities which had suffered serious declines in price. Agricultural food products rotted in the fields, mines were shut down, mills ceased operations, and the continuance of the high freight rates threatened further damage.

Appeals were then made to your honorable body by various interests, as a result of which the commission instituted, on its own initiative, the proceeding known as Reduced Rates, 1922, being I. C. C. Docket 13293. Hearings were held in December, 1921, and January, 1922. The situation which brought about this investigation is briefly described in the following paragraph taken from page 679 of the reported decision:

"In Increased Rates, 1920, supra, decided July 29, 1920, we designated rate groups as provided in section 15a and authorized substantial increases in freight rates, passenger fares, and certain charges. Late in that year there developed in this country a pronounced and long-continued business depression, nation-wide, a phase of the general post bellum adjustment throughout the world. Practically all traffic and all industry have been affected. There has been substantial reduction in the price of most commodities without a corresponding reduction in rates. There is a definite conviction in the minds of the shipping public that the present rate level is unreasonably high, is an effective barrier to the return of business activity, prosperity, and the usual volume of traffic, and that it should be substantially reduced."

Thus the study made by the commission at that time recognized as the underlying problem the proposition set forth herein. As a result of its findings the commission concluded that there should be a general horizontal reduction in freight-rate levels to bring them more nearly in conformity with the downward trend of commodity prices. No order was issued compelling the carriers to comply with the commission's decision because the carriers, recognizing the facts, proceeded promptly on their own motion to make the necessary rate reductions.

Immediately following the decision there was a substantial revival in business and a corresponding increase in rail tonnage. In fact, the additional revenues provided by the lower rates enabled the carriers to invest several billion dollars additional in improvement of property and facilities, and to pay substantial dividends to their stockholders during the years 1923 and 1929.

At page 708 of its decision in Reduced Rates, 1922 (cited supra), the commission pointed out that in December, 1921, the average prices of farm products were only 113 per cent of the average prices prevailing in 1913. Using the same base the average prices of farm products in December, 1932, were 62 per cent of the 1913 prices. The all commodities index price as reported by the commission for December, 1921, was 149 per cent of the 1913 prices, whereas for December, 1932, the average of all commodities was 90 per cent of the 1913 base. The commission also pointed out that the average freight revenue per ton-mile for December, 1921, was 172 per cent of the average freight revenue for the year ended June 30, 1913. The relative index price of freight transportation for 1932 is 10 per cent under that of December, 1921, or approximately an index figure of 155. From this it is evident that the disparity between freight-rate levels and commodity-price levels is much greater at the present time than it was in 1921. The foregoing comparisons are based upon statistics of the United States Bureau of Labor. If the comparison be confined to raw agricultural products, as shown by the United States Bureau of Agricultural Economics, the 1932 prices will be found to be approximately 52 per cent of the pre-war level.

There is appended hereto and marked "Exhibit 2" a statement showing the relative wholesale commodity prices of various basic commodities and of all commodities based upon the year 1926 as representing 100 per cent, from which it will be seen that in the case of all commodities shown, with the exception of bituminous coal, the index prices for December, 1932, are lower than

those for the year 1921. The average price per statistics of the National Coal Association on file with the I. C. C. in Ex parte 103 for bituminous coal realized at the mines for the first six months of the coal year 1932 was \$1.22 per net ton, while the average freight charge for that period was \$2.27 per net ton, or 186 per cent of the price realization. The average mine realization per ton in 1932 was only about 3 per cent higher than in 1913, while the freight-rate level on coal has increased approximately 82 per cent.

Farm products are worth less than one-half of what they were in 1926, but there has been practically no decrease in the freight-rate level in the meantime. From Exhibit 2 it will be noted that it will require 3 bushels of grain to pay the transportation charge which would have been paid for by 1 bushel of grain in 1926.

The condition of the basic industries of the country at the present time is far more serious than it was when the commission initiated the proceedings in Reduced Rates, 1922. Unemployment, wages, and rapidly declining demand combine to produce a much greater disparity between basic commodity price and transportation costs at the present time than in 1922. The situation has progressively grown worse since January 1, 1930, and has reached a stage where it is essential that rail transportation agencies assume their share of the burden of lower prices from which the industry is now suffering.

It is not contended that the present freight-rate level has been the cause of the present depression nor even that existing conditions are in all respects analogous to those which prevailed in 1921. Neither do your petitioners assert that correction of the freight-rate level will of itself alone relieve the existing commercial distress. However, its importance as a factor which not only retards recovery but tends to worsen the condition of basic industries is indeed greater to-day than was found by the commission to be the case in the consideration of the economic situation in 1922. In this respect there is a present analogy with the conditions existing in the former period and we respectfully direct the attention of the commission to the following excerpts from its conclusions at that time:

"It is our duty to initiate such rates as will enable the carriers to earn as nearly as may be a fair return, qualified as provided in the act. In 1920 we authorized large increases in freight rates and passenger fares designed to produce the necessary revenues under the conditions then prevailing. There was then little doubt of the ability of industry to bear the increased charges. The situation has since changed. The country has been passing through a period of abundant supply and slack demand, in which prices at the source have fallen off sharply. High rates do not necessarily mean high revenues, for, if the public can not or will not ship in normal volume, less revenue may result than from lower rates.

"Shippers almost unanimously contend, and many representatives of the carriers agree, that 'freight rates are too high and must come down.' This indicates that transportation charges have mounted to a point where they are impeding the free flow of commerce and thus tending to defeat the purpose for which they were established, that of producing revenues which would enable the carriers 'to provide the people of the United States with adequate transportation.' . . .

"Manifestly the depression of 1921 resulted primarily from causes other than transportation charges. But it does not follow that under present conditions existing high rates do not tend to retard the return to a more normal flow of commerce. Deflation has taken place to a greater or less extent in wages and origin prices of commodities in nearly all branches of industry, but most transportation charges are still near the peak.

"In Rates on Grain, Grain Products, and Hay, supra, we said at page 100:

"The really vital concern of the carriers, in this situation, is to promote the return of what may be deemed normal traffic, and anything which will help toward this end is greatly to their benefit. So far as a tendency downward in their rates can be induced, and so far as the reductions in wages and prices which have already been made effective can be converted into rate reductions, we are assured that the full return of prosperity will be hastened for both industry and labor.' . . .

"We are of opinion that general reduction in the rate level, as substantial as the condition of the carriers will permit, will tend not only to lessen the transportation burden but also to equalize and stabilize the conditions under which commerce and industry are carried on, with consequently fuller assurance to the carriers of realizing the fair return contemplated by the law." (66 I. C. C. 732, 733, 734.)

III

Experience has demonstrated that the action of the commission in decreeing an increase in the freight-rate level in 1931 did not produce the results sought

In the summer of 1931 the owners of railroad securities, and the railroads themselves, claiming an emergency confronted them, jointly presented to the commission an application for a substantial increase in freight rates. They then recognized that there was in process a downward trend in commodity prices and a substantial decline in trade. But they argued that by increasing rail transportation costs the buying power of the railroads would be increased, the owners of railroad securities would have greater confidence, business would improve generally, the downward trend of commodity prices would be reversed, and trade would be restored to normal. In response to this plea the commission, contrary to

the precedent set in Reduced Rates, 1922, authorized the so-called freight-rate surcharges, resulting in increased costs of transportation on numerous basic commodities at a time when commodity prices were steadily declining. Although the rail carriers are a major factor in our national economic structure, these increases in the prices charged for their services neither reversed nor checked the downward trend of commodity prices. Nor did such increased charges yield the rail carriers the expected revenues. On the contrary, they have only helped to make bad matters worse.

It is obvious that a decline in commodity prices without a similar decline in the cost of rail transportation produces in effect an actual increase in the relative cost of transportation, although tariff schedules published in terms of cents per hundred pounds remained unchanged. The producer can not continue indefinitely to buy at predepression prices, even such necessities as transportation, in exchange for his products which are being sold at constantly declining prices. Such a policy of rate maintenance must operate to reduce the volume of rail tonnage and the total of rail revenue. This situation has in part accounted for the steady increase in tonnage hauled by other transportation agencies. The decreased rail traffic and revenues have resulted not only from the general business depression, but also from unreasonably high rates which force shippers out of markets entirely, or to utilize other and cheaper forms of transportation.

The rail carriers possess a tremendous transportation machine of which only about 50 per cent is now being utilized. Granaries are full and people are in want, yet the farmer of Iowa burns corn for fuel which the miner in Illinois needs for food. It is in the public interest that a greater proportion of this transportation machine be usefully employed. Lower rail-transportation costs, which would bring freight rates more into line with the prevailing commodity prices, coupled with further operating economies, would tend to accomplish this purpose and also favorably affect gross and net earnings, all of which is in the public interest.

IV

A reduction in the freight-rate level on basic commodities will tend to discourage undue development of competitive transportation agencies and thereby preserve railroad transportation as the dominating factor in our national commerce

The railroads are practically the only agencies of transportation which have not reduced the prices for their service during the present era of depressed prices. Highway and water transport facilities have responded to the lower commodity price levels and have made substantial rate reductions. In specific instances the railroads have made reductions to meet such competition to the extent found actually necessary in each particular case. Such reductions are no part of any policy to reduce freight rate levels so that they will more nearly correspond to the reduced commodity price levels. They are merely sporadic instances where actual diversion of moving traffic has compelled the rail carrier to take action or see the competitor enjoy the traffic upon the lower rates. In an investigation of this character the commission should not be concerned with these sporadic and specific instances other than to glean the lesson that they demonstrate. Not only do such reductions reflect the demand of industry for reduced transportation costs, but because of their local character they operate to break down uniformity of treatment, and create new discriminations in rates between the favored commodities and/or localities and those not so favored, thus reverting to the chaotic rate conditions which brought about the original enactment of the interstate commerce act.

Your petitioners represent industries producing basic commodities moving in large quantities and for which the railroads are a necessary agency in distribution. These industries furnish over 50 per cent of the total volume of rail tonnage upon which the railroads are maintaining freight rates at their peak levels (except for the year 1921) without considering the effect upon the future development of such commerce.

If this condition were but temporary, it might properly be argued that the carriers could not be expected to adjust their rate structure in response to every change in commodity prices. But the price decline has continued for three years and has grown progressively worse each year. Prices may continue at present or lower levels for a substantial period of time unless an economic balance is restored. Increases in the price level and increased activity in business will depend upon many factors, but improvement will require the cooperation of rail carriers to the extent of sharing the burdens of industry so as to stimulate the movement of commodities which to-day rot in the fields, rest in the forests, and lie untouched in the mines. It is in the interest of the carriers themselves to maintain an equitable relationship between commodity prices and rail transportation charges, and as commodity prices improve, rail carriers should be permitted to share in the improvement through a readjustment of freight rates.

It is not without significance that the adjustment of freight rates to correspond to commodity price levels has been proceeding for some time in foreign countries. A recent bulletin of the Department of Commerce lists decreases in Argentina, Brazil, France, Mexico, Netherlands, Trinidad, and British Guiana.

V

Under conditions which prevail to-day the value of railroad property and the rate of return on railroad investment must reconcile themselves to the ultimate effect of freight rates on traffic and revenues

Rail transportation is of basic and fundamental importance to our national prosperity. The railroad transportation machine is a necessary part of our economic structure, and it can not be sev-

ered and considered alone. It is entitled to be recognized as essential to distribution, but it is not entitled to preferential consideration, particularly if such consideration operates to cripple and hamper the industries which produce the traffic upon which the railroads live.

The dollars which your petitioner pay to the railroads for transportation services are secured from the sale of commodities which move by rail. It requires approximately twice as much, in terms of commodities, to pay the rail freight charges to-day as it required during the period from 1923 to 1930, when the freight rate charges were substantially what they are to-day (except for the surcharges which have been added). Correspondingly the capital assets of your petitioners have depreciated in value and in the case of many basic industries are worth not more than one-third of what they were in the prior period. The decline in business has reduced the earning power of your petitioners and in turn depreciated the present value of their facilities and property. In like manner it must be evident that the property of the railroads used in the service of transportation has depreciated in value to the extent of the decline in the volume of tonnage transported. This destruction of values will continue as long as the policy of the railroads continues to be to maintain freight rates at a level which discourages the movement of traffic. For the railroads to assert, under prevailing economic conditions, that their properties are to-day worth more than \$25,000,000,000, and for them to contend that present freight rates should be maintained in order to give them a return upon such valuation is to disregard fundamental changes which have taken place. To the extent that the freight-rate structure is adjusted in keeping with the adjustment of commodity price levels it will encourage a greater movement of commodities and should be a basic factor in economic recovery.

The failure to reduce the costs of rail transportation will result in the further disuse of the present rail facilities and further unemployment of railroad employees. Under present conditions the freight-rate level is unreasonable, and in many cases imposes an impossible burden upon the movement of the basic products of the farms, forests, and mines of the country, thereby resulting in diversion and diminution in the volume of traffic and consequent loss to the railroads. An adjustment of the freight rates to a reasonable level will hasten the return of normal traffic movement and will immediately stimulate the movement of those commodities on which the railroad freight charges are a major part of the price realized.

Wherefore, the undersigned petitioners do hereby memorialize and petition your honorable body to order the carriers by railroad engaged in interstate and foreign commerce to appear and show cause why an order should not issue requiring them to cease and desist from charging the present unreasonable and inordinately high level of freight rates upon all basic commodities and that an order issue requiring them to readjust their freight-rate levels (save and except in those cases where the rates have been reduced to meet competitive agencies of transportation) to meet the emergency which continues to confront the basic commercial industries of the country. It is respectfully requested that your honorable body investigate these charges and handle the same with the greatest possible expedition because of the destitute and almost bankrupt condition of the principal industries of the country.

Respectfully submitted.

AMERICAN FARM BUREAU FEDERATION,
By EDWARD A. O'NEAL, *President*,
58 East Washington Street, Chicago, Ill.
FARMERS EDUCATIONAL & COOPERATIVE UNION OF AMERICA,
By JOHN A. SIMPSON, *President*,
18 North Klein Street, Oklahoma City, Okla.
NATIONAL COAL ASSOCIATION,
By C. B. HUNTRESS, *Executive Secretary*,
Southern Building, Washington, D. C.
NATIONAL GRANGE, PATRONS OF HUSBANDRY,
By L. J. TABER, *Master*,
970 College Avenue, Columbus, Ohio.
NATIONAL LUMBER MANUFACTURERS ASSOCIATION,
By WILSON COMPTON, *Secretary-Manager*,
1337 Connecticut Avenue NW., Washington, D. C.
WASHINGTON, D. C., January 25, 1933.

EXHIBIT 1 (omitted)

EXHIBIT 2

Index of wholesale commodity prices 1913, 1921, and 1932
(1926=100)

	1913	1921	November, 1932	December, 1932
Farm products:				
Grains.....	71.1	89.1	33.2	31.7
Livestock and poultry.....	73.2	78.2	41.9	38.7
All farm products.....	71.5	88.4	46.7	44.1
Anthracite coal.....	58.9	92.5	88.8	88.7
Bituminous coal.....	38.1	77.7	80.4	80.2
Lumber.....	54.0	88.9	56.6	56.5
All foods.....	64.2	90.6	60.6	58.3
Mixed fertilizers.....	84.3	162.5	65.6	65.6
Cattle feed.....	82.2	89.2	40.8	37.1
Hides and skins.....	106.8	89.5	46.1	41.7
All commodities.....	69.8	97.6	63.9	62.6

Source: U. S. Bureau of Labor Statistics.

PROHIBITION AND LAW ENFORCEMENT

Mr. SHEPPARD. I present a number of memorials and communications in the nature of memorials in opposition to the repeal of the eighteenth amendment, to modification of the Volstead Act, and to legalization of beer, and so forth, from citizens of Texas, and summary of such memorials and communications. I ask that these documents may lie on the table and that the summary be printed in the RECORD.

There being no objection, the memorials and communications in the nature of memorials were ordered to lie on the table, and the summary thereof was ordered to be printed in the RECORD, as follows:

1. Memorial from Mrs. Nora P. Gray and six other citizens of Harlingen, Tex.
2. Resolution in the nature of memorial by Workers' Conference Collins County Baptist Association, in session at Foot Baptist Church, December 5, 1932, representing 55 Baptist churches and 10,000 Baptist people.
3. Resolution adopted at mass meetings in 20 churches of Austin, Tex., on December 4, 1932, with total attendance of 4,770 citizens.
4. Telegram conveying sentiment of 65 citizens of Magnolia, Tex.
5. Telegram conveying sentiment of 46 citizens of Chester, Tex.
6. Appeal from 515 members East Dallas Baptist Church, Dallas, Tex., Rev. Edgar Parker, pastor.
7. Appeal from 200 members Women's Missionary Society, Oak Cliff Methodist Church, Dallas, Tex., transmitted by Mrs. A. C. Lemburg and Mrs. John F. Turner.
8. Appeal from 200 women, Federated Missionary Society, Robstown, Tex.
9. Resolution of Men's Bible Class of Methodist Church, Beaumont, Tex., with 60 members.
10. Letter in nature of memorial from 15 members of First Methodist Church, Orange, Tex.
11. Letter in nature of memorial representing 400 women, Highland Park Missionary Society, Methodist Church, Dallas, Tex.
12. Memorial from 50 citizens of Port Arthur, Tex.
13. Letter in nature of memorial from Womans' Christian Temperance Union of Beeville, Tex., with 60 members.
14. Memorials against legalization of beer from 40 citizens of Cleburne; 2 citizens of Commerce; 163 citizens of Lexington, Beeville, West, Hillsboro, Dime Box, and McCamey; 96 citizens of Georgetown and other Texas cities and towns; 188 citizens of Caldwell; 675 citizens of Fort Worth; 34 citizens of San Antonio; 100 citizens of McAllen; 215 citizens of Mexia; 82 citizens of Beaumont; 119 citizens of Edinburg; 32 citizens of Bovina; 142 citizens of La Feria; 296 citizens of Robstown, with signers from Houston, Sinton, Taft, and Corpus Christi; 50 members First Methodist Church, of Brownsville; 355 citizens of Houston, including members of Second Presbyterian Church; 75 citizens of Garwood; 150 citizens of Galveston; 18 citizens of Bangs; 38 citizens of Hollister, Chester, Woodville, Warren, Jasper, Pedigo, and Spurger; 400 citizens of Dallas; 41 citizens of Ballinger; 57 citizens of Austin; and 6,518 citizens of Amarillo, all in the State of Texas, and 628 citizens of other places in Texas.

WAGE CUTS IN THE STEEL INDUSTRY

Mr. DAVIS. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference a news statement from the Pittsburgh (Pa.) Press of February 5, 1933, by Mr. Ernest T. Weir, chairman of the board of directors of the National Steel Corporation, denouncing wage cuts. I agree with Mr. Weir when he says that we must stop this pressure on wages—that labor has done its part, and that a further reduction of wages would only produce decrease in the buying of steel.

There being no objection, the statement was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

[From the Pittsburgh (Pa.) Press of February 5, 1933]

STEEL WAGE CUTS DENOUNCED BY E. T. WEIR

Further wage cuts in the steel industry were strenuously opposed by Ernest T. Weir, chairman of the board of National Steel Corporation, in an interview to-day.

Referring to rumors that another wage cut is contemplated, Mr. Weir was outspoken in condemning the idea, declaring that labor had done its part and that a further reduction would only produce decreased buying of steel.

"Steel manufacturers are not justified in even considering any further liquidation of labor. It would be unfair," Mr. Weir declared.

"We have gone, if anything, too far along those lines. It is true that the capital invested in the industry has suffered a very heavy reduction of its earnings, but labor has certainly borne its part of the burden," he added.

CHARGES FOR SHIPMENT OF CATTLE AND HOGS

Mr. SCHALL. Mr. President, I just received a very interesting letter in reference to the charges made to shippers of cattle and hogs, which it seems to me ought to be of interest to others for the purpose of disseminating existing conditions. I ask that it be printed in the RECORD and referred to the appropriate committee.

There being no objection, the letter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

THE FIRST NATIONAL BANK,
Appleton, Minn., February 6, 1933.

HON. THOMAS D. SCHALL,
Washington, D. C.

DEAR MR. SCHALL: The Tri County Livestock Shipping Association, of Appleton, Minn., a cooperative concern, at their annual meeting held on January 28, 1933, passed a resolution urging that the Senators and Representatives of the State of Minnesota investigate the charges made to shippers of cattle and hogs to the Union Stockyards of South St. Paul.

I give herewith a statement of June 22, 1932, when they shipped a car of stock, containing 57 hogs and 6 head of cattle, weighing 19,755 pounds, and on this car they charged them \$8.11 for yardage, 6 bushels of corn at 75 cents per bushel, 1 bale of hay at 94 cents, and 200 pounds of ground barley costing them \$3.94, making a total cost of yardage and feed of \$17.51. It is the understanding of this association that the profits of the stockyards company increased from \$1,500,000 to \$6,000,000 in the last few years.

They therefore urge that their affairs be investigated and have their charges reduced to the farmers more in line with the times. The farmer gets 10 cents per bushel for corn and 15 cents per bushel for barley, and about \$4 per ton for hay, and it seems as though their charges are way too high; and an investigation is urged by this association.

I am writing now to you and Mr. SHIPSTEAD and wish that you would hand this letter to the Representatives of this State or have copy made and give to them.

Yours truly,

A. O. KREBS, Secretary.

REPORTS OF THE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. BARBOUR, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 5469) to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes, reported it with amendments and submitted a report (No. 1162) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (S. J. Res. 237) authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances, reported it without amendment and submitted a report (No. 1163) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON of Arkansas:

A bill (S. 5600) granting an increase of pension to Laura I. Robinson; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 5601) granting a pension to Elmira F. Miller; to the Committee on Pensions.

A bill (S. 5602) for the relief of James L. Barnett; to the Committee on Civil Service.

By Mr. ROBINSON of Indiana:

A bill (S. 5603) granting an increase of pension to Amanda Fess (with accompanying papers); to the Committee on Pensions.

(Mr. DILL introduced Senate bill 5604, which was referred to the Committee on Interstate Commerce and appears under a separate heading.)

By Mr. REED:

A bill (S. 5605) for the relief of Capt. L. P. Worrall, Finance Department, United States Army (with accompanying papers); to the Committee on Claims.

By Mr. HULL:

A joint resolution (S. J. Res. 251) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. LEWIS:

A joint resolution (S. J. Res. 252) directing the President of the United States of America to proclaim October 11, 1933, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 5329. An act to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," as amended by the act of March 2, 1929; to the Committee on Naval Affairs.

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes; and

H. R. 13521. An act to transfer control of building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior; to the Committee on Public Buildings and Grounds.

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompahgre Bands of Ute Indians of Utah, and for other purposes; and

H. R. 13770. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

H. R. 11816. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495); to the Committee on the Judiciary.

H. R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931; to the Committee on the Library.

H. R. 13974. An act granting the consent of Congress to Bonner County, State of Idaho, to construct, maintain, and operate a free highway bridge across Pend Oreille Lake at the city of Sandpoint in the State of Idaho;

H. R. 14129. An act to extend the time for completing the construction of a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.; and a bridge across the Michigan Canal, otherwise known as the Ogden Slip, in the city of Chicago, Ill.; and

H. R. 14200. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.; to the Committee on Commerce.

H. R. 14060. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near The Dalles, Oreg.; and

H. R. 14228. An act to change the name of "Roosevelt Island" to "Theodore Roosevelt Island"; to the calendar.

H. J. Res. 434. Joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act; to the Committee on Agriculture and Forestry.

THEODORE ROOSEVELT ISLAND

Mr. FESS. Mr. President, I ask leave to call up for passage the bill (H. R. 14228) to change the name of "Roosevelt Island" to "Theodore Roosevelt Island." There is a similar Senate joint resolution on the calendar which has been favorably reported.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an act to establish a memorial to Theodore Roosevelt, approved May 21, 1932 (Public No. 146, 72d Cong.), be amended as follows:

That wherever the name "Roosevelt Island" appears in sections 1, 2, and 3 of this act it shall be stricken out and the name "Theodore Roosevelt Island" shall be inserted in lieu thereof.

Sec. 2. In all public documents, records, and maps of the United States in which such island is designated or referred to it shall be designated as "Theodore Roosevelt Island."

The VICE PRESIDENT. Senate Joint Resolution 231, of similar title and text, will be indefinitely postponed.

PRINTING OF MANUSCRIPT ENTITLED "THE AMERICAN-MEXICAN FRONTIER: NEUCES COUNTY, TEX."

Mr. HATFIELD submitted the following resolution (S. Res. 353), which was referred to the Committee on Printing:

Resolved, That the manuscript submitted to the Senate Committee on Immigration on December 19, 1932, entitled "The American-Mexican Frontier: Neuces County, Tex.," by Paul S. Taylor, associate professor of economics at the University of California, be printed, with illustrations, as a Senate document.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 221. An act authorizing adjustment of the claim of the Wilnot Castle Co.; and

S. 968. An act for the relief of certain employees of the Forest Service, Department of Agriculture.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 5357) to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg., and it was signed by the Vice President.

PROHIBITION OF EXPORTATION OF ARMS OR MUNITIONS

Mr. BORAH. Mr. President, I would like to have the attention of the Senator from Connecticut [Mr. BINGHAM].

The VICE PRESIDENT. The Senator from Connecticut will give his attention.

Mr. BORAH. The Committee on Foreign Relations reported out unanimously the joint resolution (S. J. Res. 229) to prohibit the exportation of arms or munitions of war from the United States under certain conditions. The joint resolution authorized the President of the United States under certain circumstances to lay an embargo upon the shipment of arms from the United States. The resolution afterwards passed the Senate. The Senator from Connecticut, who was interested in it, although I did not know he was interested in it, was absent. Later he entered notice of a motion to reconsider the vote by which the resolution was passed.

The situation with reference to this matter is very urgent. I want to appeal to the Senator from Connecticut, if he can within his discretion and judgment, to withdraw his notice of the motion and let the matter go to the House.

Mr. BINGHAM. Mr. President, when the resolution came from the Committee on Foreign Relations to the calendar I supposed that it would be brought up in the usual way. However, as I have the very strongest objections to it, and it would take me a considerable length of time to express them all, I asked the assistant floor leader on this side, the Senator from Oregon [Mr. McNARY], if he would object to its consideration whenever it came up if I were not present. Unfortunately, he was ill at the time the Senator from Idaho brought up the resolution. The Senator from Idaho brought up the matter during the midst of a prolonged filibuster here, when very few Senators were on the floor. I myself was not present, and there were not more than five or six Senators, so I have been informed, who were present, and none who was particularly interested in the resolution or interested in passing it.

The Senator from Oregon was ill; otherwise it would have been objected to at once. It had not occurred to me that it was necessary to take my objection to anyone else.

The next morning, as soon as the Senate convened, I asked, in accordance with the usual practice when resolu-

tions are passed by unanimous consent in the absence of one seriously objecting to their passage, that the resolution be returned to the calendar. During my eight years' service here that procedure has been followed over and over and over again, and I never knew any objection to be offered to it except on one occasion. When a resolution is adopted by unanimous consent, without notice being given of it, with very few Senators present, and with one in opposition to it absent, it has been the almost universal custom of the Senator securing its passage to permit it, on request, to go back to the calendar. That was all that I asked be done, but the Senator from Idaho objected to that procedure and suggested that my only recourse was to enter a motion for reconsideration, which I had realized was a recourse, and I did so.

Mr. President, when the time comes that we have not more important business to transact, I shall be glad to debate the resolution. It will take me some time to express my views concerning it, because I realize that there is a very large interest back of this measure. I have received letters from very distinguished people, presidents of universities, ministers of prominent churches, and heads of church organizations, protesting against my attitude on the subject. They seem to think that my only concern might be in the possible interest of some ammunition concerns in Connecticut.

Mr. President, my opposition to this measure is very deep-seated. It is based, in part, on a belief that the passage of such legislation would get us into serious difficulty and might lead to war with the United States instead of preventing war. I have an opinion from one of the most distinguished international lawyers in the United States in which he points out that it gives the President of the United States the power to be so unneutral as to lead us directly into difficulties with foreign nations even if not into war with them. That is one of my reasons for objecting to the consideration of the resolution.

I believe that had President Wilson had this power in 1914 and 1915, if the resolution had been in effect at that time, with the belief which he held and which he expressed in public, he would have prevented our selling arms and ammunition to the Allies at that time, and the war might have been lost long before we entered into it. That is a belief which is also held by other people.

I believe also, Mr. President, that this resolution is aimed directly at interference with the first rights of nations under international law. When I studied international law and later when I had the honor of teaching classes in it, my recollection is that the very first chapter in the textbook on international law dealt with the right of national self-preservation. That is the very first right of a nation. If a nation shall be attacked, it can not preserve itself without the use of arms and ammunition, and if it does not have factories of its own, as we have and as have some foreign nations, it must buy supplies from abroad.

I am opposed to selling arms and ammunition to revolutionists or groups who desire to overthrow some nation to which we have given recognition, and I am opposed to this Nation's saying to any other nation whose right to exist we have recognized, "You shall not buy the arms and ammunition which you believe are necessary for your self-defense."

Mr. President, I do not wish to discuss the matter at this time. I have merely given a few of my reasons, which I hope at some time to express at length, why this resolution ought not to be passed; why the President of the United States ought not to have the power asked for in the resolution.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDENT pro tempore. The Senator from Idaho [Mr. BORAH] has the floor.

Mr. ROBINSON of Indiana. I want to ask a question of the Senator from Idaho, and I thought the Senator from Connecticut had concluded.

Mr. BINGHAM. I merely wish to add that I am very sorry the Senator from Idaho did not permit the resolution to go back to the calendar, where at any time he could call it up by an ordinary motion. I think that would have been

in accordance with the customary procedure, and, in face of objection, he could have moved that it be considered. I think that would have been the normal procedure to have followed, but, under the circumstances, I have no recourse except to continue my motion to reconsider the vote whereby the joint resolution was passed, and at some time, when we shall have the appropriation bills and other important measures out of the way, to ask that the motion be considered.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield.

Mr. ROBINSON of Indiana. I remember very well when this matter was discussed in the Foreign Relations Committee. I was then under the impression—and, I assume, perhaps it is still true—that the joint resolution related entirely to the controversy over the Gran Chaco, the difficulties between Bolivia and Paraguay in South America, and was designed in some fashion or other to bring about a settlement down there without any further loss of life and probably, also, to help the United States in discharging its responsibilities under the Monroe doctrine.

Mr. President, there has been brought to my attention recently some complaint against this resolution based on other grounds, and I should like to have the Senator's opinion about these new developments, if they are developments. For instance, it has been suggested, with the unsettled condition in the Orient at the present time and with the rather bellicose attitude of Japan toward China at least, and in some degree toward all the remainder of the world, that if the President of the United States were given this enormous power it might, in some fashion or other, draw us into an altercation with Japan, if that power, enormous as it is, were exercised in any way that might possibly be resented by Japan. I should like, if the Senator has any views on that subject, to have him express them. I have had a number of representations along this line, I may say to the Senator, and it is in no critical vein that I make the suggestion I have just made.

Mr. BORAH. Mr. President, the only matter that has been brought to the attention of the committee or of myself as urgent in regard to this joint resolution is the South American situation. My judgment is that the other matter has not entered into the mind of the Executive with regard to the execution of this resolution.

Mr. ROBINSON of Indiana. What is the Senator's view about the possibilities along that further line by granting these broad powers?

Mr. BORAH. My view is that neither the present Chief Executive nor the incoming President would utilize the power conferred under the resolution in a way that would be likely to involve us in difficulty with either one of the situations, whether in the Orient or in South America.

Mr. President, it is necessary that somebody have some discretion and some power with reference to a situation of this kind. This is not an unusual proposal. We have granted the same authority upon numerous other occasions, and, to my knowledge, it has never been exercised in a way that subjected the United States to criticism. I can not conceive of the present Chief Executive's or the President elect's—and of course the President elect will be likely to have most to do with it under the present circumstances—exercising the power conferred in any other way than for the purpose of bringing about a peaceful solution of the controversy that is now going on.

Mr. President, I am not going to consume the time at present, but a little later I am going to undertake to get this joint resolution before the Senate. There is one way by which I can get it before the Senate and have it disposed of rather speedily, but I do not want to adopt that method if I can avoid it. The situation, however, is so urgent that I feel that it ought to be acted upon at the earliest possible moment.

Mr. WALSH of Montana. Mr. President—

Mr. BORAH. I will yield in just a moment. When it was suggested to me that the joint resolution go back on

the calendar I realized that ordinarily such a request would be granted, and if the situation had been different in the Senate from what it was I would not have hesitated to accede to the request of the Senator; but I spoke to him about his attitude and asked him whether he wanted to offer an amendment, and so forth, and he said, no, that he did not want the joint resolution to pass. I did not feel that I could connive at a program which would undoubtedly defeat its passage at this session of Congress, and so, however much I might desire to accommodate the Senator from Connecticut, I did not feel that I was in a position to yield unless the Senator from Connecticut would agree to have the resolution considered at a certain time, limit the discussion, and have a vote upon it. If that could be agreed upon, I would be perfectly willing to have it go back to the calendar; but I do feel under some obligation, under all the circumstances, to urge its passage and take advantage of any situation that may secure its passage.

I did not know of anyone in the Senate who was opposing the joint resolution. No one had indicated to me that there was opposition to it. It received the unanimous support of the committee, and, under the circumstances existing to the south, I thought there would be no opposition to it. Therefore I called it up at the time I did.

Mr. BINGHAM. Mr. President, will the Senator permit an interruption?

The PRESIDENT pro tempore. Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. I yield first to the Senator from Montana, who desired to interrupt me.

Mr. WALSH of Montana. Mr. President, in view of the urgency of the matter to which the Senator from Idaho has referred, it occurs to me that perhaps the Senator from Connecticut would be willing to indicate some limited time within which he would feel justified in allowing action to be taken on the joint resolution; that he would be willing to set some limit upon the time in which he would care to discuss this joint resolution, so that we might consider and dispose of it.

Mr. BINGHAM. No; I feel so deeply about this matter that, like the Senator from Idaho, I shall use every arrow in my quiver to defeat the joint resolution, which I believe is likely to lead the United States into war, into unneutral acts, and to destroy our sense of fairness in dealing with foreign nations.

The Senator from Idaho said he did not know of anyone in opposition to the joint resolution. It was currently rumored about the Capitol and about Washington that the effort of a certain Assistant Secretary of State to push this matter through had been checkmated at its source, and that the resolution would not come before the Senate. It was currently rumored also that there would be no message from the President conveying this joint resolution. The resolution came up unexpectedly, however, and was acted upon suddenly. The resolution was not only opposed by the Assistant Secretary of War but it was opposed by the Chief of Staff of the Army. We had the Chief of Staff of the Army on record before the Appropriations Committee only a few days ago in strong opposition to the resolution.

Mr. BORAH. Mr. President, I was informed that when it was mooted that this resolution would come before the Senate, the munitions factories in the United States, with their usual celerity, moved upon the powers that be to prevent any message from being sent in at all; and, I am informed at least, that that for a time delayed action upon the resolution; but I was not aware that there was any opposition anywhere from any source except those who were engaged in selling munitions of war. I had heard that they were opposed to it, but I knew of no other opposition, and not being particularly interested in their views, of course, I paid no attention to their opposition. I repeat that, except from that source, I knew of no other opposition anywhere in regard to it. That opposition always is at hand whenever any move of this kind is made in any respect whatever.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BINGHAM. I realized that that charge was going to be made; and I merely desire to say to the Senator that a Member of this body approached me on behalf of several ammunition factories, requesting that I withdraw my opposition and permit the matter to go through, because they did not believe that it would do them any harm, and they would like to see it go through. That is the communication which I have received from the arms factories. I happen to be particularly interested in the national defense, and in the rights of nations, and in international law as it exists at present; and my opposition to the joint resolution has not depended on any request from any ammunition factory either for or against the joint resolution. I am very strongly opposed to it in its present form, and when the time comes I shall give my reasons at length.

Mr. BORAH. Mr. President, I did not mean to intimate that the Senator himself was acting by reason of the fact that the ammunition factories in Connecticut were opposed to the joint resolution. I simply said I was informed the arms manufacturers were opposed. I did not assume, of course, that the Senator from Connecticut was controlled by any such sordid or base motives.

OBLIGATIONS TO CERTAIN ENROLLED INDIANS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 167) to carry out certain obligations to certain enrolled Indians under tribal agreement, which were, on page 2, line 19, after "death," to insert: "Provided further, That no interest on such refunds shall be payable prior to the time provided by law for the payment of interest in any such similar cases: *Provided further*, That it shall be unlawful for any person acting as attorney or agent for any claimant to receive more than a total of 5 per cent of the amount collected under the provisions of this act, and any person collecting a total amount from such claimant in excess of said 5 per cent shall be guilty of a misdemeanor and punished by a fine not exceeding \$1,000 or imprisonment not exceeding six months, or both," and on page 2, beginning with line 20, to strike out all of section 2.

Mr. GORE. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oklahoma.

Mr. KING. Mr. President, will the Senator permit me to ask him a question?

Mr. GORE. Yes, sir.

Mr. KING. I am not familiar with the joint resolution, not being a member of the committee and having just heard of it. Does it relate to allottees?

Mr. GORE. No, sir; it does not.

Mr. KING. Or to the disposition of the land of allottees?

Mr. GORE. No; it relates solely to interest on void and unconstitutional taxes which the Indians were required to pay.

The principal of the tax has been refunded. The interest has not been refunded. The law authorizing the return of the principal did not make provision for the return of interest. This measure authorizes the Government to return the interest, and one of the House amendments limits the fees to 5 per cent.

Mr. KING. Were the taxes paid to municipalities, or to the State of Oklahoma, or to the Federal Government?

Mr. GORE. Oh, no; they were Federal income taxes arising from exempt Indian allotments. The Government required the Indians to pay an income tax on their royalties. The courts held that the tax was void; that the income originating in a nontaxable source was not subject to tax. So the Government has already returned the principal, the amount of tax originally paid, but has not paid the interest. The bill passed the Senate some time since.

Mr. KING. How much is involved?

Mr. GORE. Oh, it is only a small amount. There are only a few Indians involved, and not a very large amount of money. I would not want to guess as to the amount, but it is inconsequential.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oklahoma that the Senate concur in the House amendments.

The motion was agreed to.

UNITED STATES GEORGIA BICENTENNIAL COMMISSION

Mr. GEORGE. Mr. President, I ask unanimous consent to call up out of order, for present consideration, Order of Business 1254, Senate Joint Resolution 223, establishing the United States Georgia Bicentennial Commission, and for other purposes.

Mr. SMOOT. Mr. President, I ask the Senator if it will lead to any discussion at all.

Mr. GEORGE. I do not think it will.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

Mr. SMOOT. I have no objection if the matter does not lead to any discussion; but if it does I shall object.

Mr. GEORGE. The joint resolution is reported with an amendment reducing the authorized appropriation to \$1,000.

Mr. SMOOT. I have not any objection.

The PRESIDENT pro tempore. The joint resolution will be read.

The Chief Clerk read the joint resolution (S. J. Res. 233) establishing the United States Georgia Bicentennial Commission, and for other purposes, which had been reported from the Committee on the Library with an amendment, on page 2, line 7, after the words "sum of," to strike out "\$5,000" and insert "\$1,000," so as to make the joint resolution read:

Resolved, etc., That there is hereby established a commission, to be known as the United States Georgia Bicentennial Commission, for the purpose of participation by the United States in the observance of the two-hundredth anniversary of the founding of the Georgia colony, such commission to be composed of 21 commissioners, as follows: 9 persons to be appointed by the President of the United States, 6 Senators to be appointed by the President of the Senate, and 6 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The members of the commission shall serve without compensation and shall select a chairman from among their number.

Sec. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000, or so much thereof as may be necessary, to be expended by the commission established by this resolution for actual and necessary traveling expenses and subsistence while discharging its official duties outside the District of Columbia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

POLICE PROTECTION ON INAUGURATION DAY

Mr. COPELAND. Mr. President, on the clerk's desk there is a joint resolution which has been passed by the House of Representatives which provides for the maintenance of public order and the protection of life and property in connection with the inauguration. It carries an appropriation of \$25,000; and we have been advised in the District of Columbia Committee that it is exactly similar to the joint resolution which has passed in connection with all previous inaugurations in recent times. It is important that this measure should be given immediate effect because of the arrangements being made by the police authorities.

I ask unanimous consent that the joint resolution passed by the House may be considered here now.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Let it be read.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (H. J. Res. 565) to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933 was read the first time by its title and the second time at length, as follows:

Resolved, etc., That \$25,000, or so much thereof as may be necessary, payable in like manner as other appropriations for the expenses of the District of Columbia, is hereby appropriated to enable the Commissioners of the District of Columbia to maintain

public order and protect life and property in said District from February 28 to March 10, 1933, both inclusive, including the employment of personal services, payment of allowances, traveling expenses, hire of means of transportation, cost of removing and relocating street-car loading platforms, for the construction, rent, maintenance, and expenses incident to the operation of temporary public comfort stations, first-aid stations, and information booths during the period aforesaid, and other incidental expenses in the discretion of the commissioners. Said commissioners are hereby authorized and directed to make all reasonable regulations necessary to secure such preservation of public order and protection of life and property, and to make special regulations respecting the standing, movements, and operating of vehicles of whatever character or kind during said period; and to grant under such conditions as they may impose special licenses to peddlers and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia, and to charge for such privilege such fees as they may deem proper.

Sec. 2. Such regulations and licenses shall be in force one week prior to said inauguration, during said inauguration, and one week subsequent thereto, and shall be published in one or more of the daily newspapers published in the District of Columbia, and in such other manner as the commissioners may deem best to acquaint the public with the same; and no penalty prescribed for the violation of any of such regulations shall be enforced until five days after such publication. Any person violating any of such regulations shall be liable for each such offense to a fine of not to exceed \$100 in the police court of said District, and in default of payment thereof to imprisonment in the workhouse of said District for not longer than 60 days.

Mr. SMOOT. Mr. President, I desire to ask another question about the measure. What is the necessity for haste in passing this joint resolution?

Mr. COPELAND. The necessity for haste is due to the fact that the local police department must bring on from Baltimore uniformed officers, and detectives from other cities, in order that there may be ample protection.

Mr. SMOOT. Well, perhaps we can pass the joint resolution while we are undertaking to explain it.

Mr. COPELAND. I had no desire to discuss it. We ask for an amendment which will strike out the authorization and make it actually an appropriation. It has been passed on by the Budget Bureau.

Mr. SMOOT. I doubt very much whether that can be done in the Senate.

The VICE PRESIDENT. The House joint resolution provides for an appropriation.

Mr. COPELAND. Very well.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate Joint Resolution 236, which deals with the same subject, will be indefinitely postponed.

ARLINGTON MEMORIAL BRIDGE

Mr. REED. Mr. President, from the Committee on Military Affairs I report back favorably, with an amendment, Senate bill 5339, to authorize the Secretary of War to deed certain properties to the State of Virginia in order to connect Lee Boulevard with the Arlington Memorial Bridge, and I submit a report (No. 1161) thereon.

I ask unanimous consent for the immediate consideration of the bill, as I am sure it will lead to no argument.

The VICE PRESIDENT. Let it be read.

The Chief Clerk read the bill, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That in order to provide a connection between the Lee Boulevard and the Arlington Memorial Bridge, the Secretary of War is hereby authorized to convey to the county of Arlington, State of Virginia, for highway purposes only, all the right, title, and interest of the United States in and to a strip of land through the southerly portion of the Fort Myer Military Reservation necessary for construction of a connection from the Lee Boulevard to the Arlington Memorial Bridge, consisting of a right of way not less than 100 feet in width; said deed of conveyance to contain a restriction against the construction of buildings, fences, or other structures within 110 feet of the center line of said right of way.

Sec. 2. The Secretary of War is hereby further authorized to convey to the said county of Arlington for highway purposes only all the right, title, and interest of the United States in and to a strip of land for a continuous right of way approximately 60 feet in width within and adjacent to the southerly boundary of the

Arlington Reservation from the intersection of said reservation line with the northerly line of the right of way to be conveyed under section 1 to the east line of McKinley Street.

Sec. 3. The lands to be so conveyed are approximately as shown on plat No. 104.2-166 in the files of the National Capital Park and Planning Commission.

Sec. 4. Upon the consummation of the conveyance herein authorized to the county of Arlington, State of Virginia, the jurisdiction of the United States over said lands shall immediately cease and determine and revert in the State of Virginia.

Sec. 5. That if at any time the lands herein authorized to be conveyed to the said county of Arlington, State of Virginia, shall cease to be used for the purposes herein specified, the title in and jurisdiction over the same shall revert to the Government of the United States.

Mr. REED. Mr. President, on the southern border of the Fort Myer Reservation there is an old street-railway right of way. The street-railway company has collapsed, and the right of way is not being used for that purpose.

The State of Virginia has built a broad, new boulevard up to the edge of the reservation, and there it has stopped. This bill authorizes the State of Virginia, at its expense and not at the expense of the Federal Government, to continue that pavement in toward the end of the Memorial Bridge. It will be of great advantage to the city; it will not cost the Federal Government anything; and the committee was unanimously in favor of it.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. If it leads to no further discussion, I have no objection.

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The question is on the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. REED subsequently said: Mr. President, this morning the Senate was good enough to give me unanimous consent for the consideration and passage of a bill introduced by the Senator from Virginia [Mr. SWANSON]. I have to confess that I stupidly sent the wrong draft to the desk. The proper draft would have given a right of way not more than a hundred feet wide. The draft which was sent to the desk contains the words "less than," so that it would provide for a right of way not less than 100 feet wide.

There was a further provision in the amendment which we intended to incorporate in the bill granting the President the power to take this land back at any time in case, in a national emergency, the Government of the United States should need it. That provision was omitted from the draft which was sent to the desk. As both those provisions are for the further protection of the United States, I now ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, may be reconsidered, in order that the amendment may be offered.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the votes whereby the bill was ordered to be engrossed for a third reading, read the third time, and passed are reconsidered.

Mr. REED. I now ask unanimous consent that the amendment which I send to the desk may be considered.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert:

That in order to provide a connection between the Lee Boulevard and the Arlington Memorial Bridge, the Secretary of War is hereby authorized to convey to the county of Arlington, State of Virginia, for highway purposes only, all the right, title, and interest of the United States in and to a strip of land through the southerly portion of the Fort Myer Military Reservation necessary for the construction of a connection from the Lee Boulevard to the Arlington Memorial Bridge, consisting of a right of way not more than 100 feet in width, said deed of conveyance to contain a restriction against the construction of buildings, fences, or other structures within 110 feet of the center line of said right of way.

Sec. 2. The Secretary of War is hereby further authorized to convey to the said county of Arlington for highway purposes only

all the right, title, and interest of the United States in and to a strip of land for a continuous right of way approximately 60 feet in width within and adjacent to the southerly boundary of the Arlington Reservation from the intersection of said reservation line with the northerly line of the right of way to be conveyed under section 1 to the east line of McKinley Street.

Sec. 3. The lands to be so conveyed are approximately as shown on plat numbered 104.2-166 in the files of the National Capital Park and Planning Commission.

Sec. 4. The deeds of conveyance shall contain a reservation reserving to the United States the right to resume possession and occupy said tracts of land, or any portion thereof, whenever in the judgment of the President an emergency exists that requires the use and appropriation of the same for the public defense, and also a further reservation that the title hereby conveyed shall revert to the United States and all rights hereby granted shall cease and be forfeited, unless the said county of Arlington shall construct the said highway and assume the obligations herein provided within three years from the date of the enactment of this act.

Sec. 5. Upon the consummation of the conveyance herein authorized to the county of Arlington, State of Virginia, the jurisdiction of the United States over said lands, subject to the conditions and reservations in said deed provided, shall immediately cease and determine and revert in the State of Virginia.

Sec. 6. That if at any time the lands herein authorized to be conveyed to the said county of Arlington, State of Virginia, shall cease to be used for the purposes herein specified, the title in and jurisdiction over the same shall revert to the Government of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes."

ADVERTISING OF NONINTOXICATING BEER

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. There is pending on the Senate Calendar H. R. 13742, known as the beer bill. The Senate committee, in reporting the bill favorably, has substituted new provisions for the House provisions.

The House bill sought to repeal existing laws prohibiting the advertising of liquor. The Senate committee incorporated in its measure a provision preventing the advertising of intoxicating liquor in certain States.

Some of the minority members of the Finance Committee have taken up this advertising provision with the Treasury Department. They have prepared an amendment which eliminates from the Senate provisions the section preventing advertising.

I ask that a memorandum explaining the existing condition of the law and a proposed amendment be printed in the RECORD, and that the amendment lie on the table.

The VICE PRESIDENT. Without objection, that order will be made.

The memorandum and amendment are as follows:

STATEMENT OF SENATOR WALSH OF MASSACHUSETTS IN CONNECTION WITH THE AMENDMENT HE PROPOSED TO OFFER TO H. R. 13742, KNOWN AS THE "BEER BILL"

The Volstead Act prohibits the advertising by any means of "liquor." The Volstead Act defines liquor as used in the act to include all beverages containing one-half of 1 per cent or more of alcohol.

The so-called "Reed bone-dry amendment," passed in 1917, before the eighteenth amendment took effect, prohibits the sending through the mails of any advertisement of "intoxicating liquors" to any place at which it is unlawful under local law to advertise such liquors. This act does not define the term "intoxicating liquors."

Both of these restrictions on advertising are in existing Federal statutes.

The House bill, providing for the manufacture, distribution, and sale of liquor containing 3.2 per cent, or less, of alcohol by weight, amends the definition of "liquor" so that it does not include beer, ale, or similar fermented liquors containing 3.2 per cent, or less, of alcohol by weight.

Therefore, under the House bill, the provision of the Volstead Act prohibiting the advertisement by any means of liquor would no longer prohibit the advertising of beer containing not more than

3.2 per cent of alcohol by weight, because the prohibition in the Volstead Act applies only to the advertising of liquor and, under the House bill, such beer would no longer be "liquor" within the meaning of the Volstead Act. However, the effect of the House bill on the Reed "bone-dry" amendment is uncertain. A doubt exists because this act does not define intoxicating liquors. This doubt should have been removed by a clear statement in the House bill that the provision of the Reed "bone-dry" amendment does not apply to the liquor authorized therein.

The bill reported by the Judiciary Committee of the Senate, and which is now pending in the Senate, provides in one section that nothing in the national prohibition act shall apply in any way to beer, wine, and fruit juices containing not more than 3.05 per cent of alcohol by weight; but there is another section in the bill which contains the so-called "Dill amendment," which prohibits the advertising of liquor authorized by the bill in dry States. Furthermore, there is the same doubt as to the effect of the Reed "bone-dry" amendment on the provisions of this bill, which amendment is not repealed.

The so-called "Dill amendment," providing for prohibiting the advertising of nonintoxicating liquors, such as beer and other liquors of alcoholic content of less than 3.05 per cent in dry States, would mean that all newspapers and radio advertising would be forbidden unless—which is not possible—it could be shown that a newspaper printed in a wet State never went outside the borders of that State into a dry State.

The amendment to be proposed by Mr. WALSH of Massachusetts would permit advertising, strikes out the Dill amendment of the Senate bill, and inserts language that removes the doubt concerning the Reed bone-dry amendment, as follows:

Amendment intended to be proposed by Mr. WALSH of Massachusetts to the bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes: On page 10, to strike out lines 15 to 25, both inclusive, and lines 1 and 2 on page 11, and in lieu thereof insert the following:

"(c) Nothing in section 5 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes,' approved March 3, 1917, as amended and supplemented (U. S. C., title 18, sec. 341; Supp. VI, title 18, sec. 341), shall prohibit the deposit in or carriage by the mails of the United States, or the delivery by any postmaster or letter carrier, of any mail matter containing any advertisement of, or any solicitation of an order or orders for, any of the following containing not more than 3.05 per cent of alcohol by weight: Beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice."

GEORGE WASHINGTON-WAKEFIELD MEMORIAL BRIDGE

Mr. TYDINGS. Mr. President, an organization known as the George Washington-Wakefield Memorial Bridge are anxious to build that bridge across the Potomac River, connecting Maryland and Virginia. In order to do this, it has been necessary for the States of Maryland and Virginia to appropriate money to build approaches to the bridge. In the case of Virginia, I think it is necessary to build approaches for some 16 or 17 miles and two or three smaller bridges.

The work is ready to be commenced, but unfortunately we have not had an opportunity to get legislation considered which would permit the construction of the bridge. It has been approved by all the agencies of the Government. There is \$3,000,000 worth of work that can be started as soon as this bill gets through.

I therefore ask that this extension of authority, which has expired in the meantime, to a completely new, business-like organization that is going to build the bridge, may now be granted.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. What is the request?

Mr. TYDINGS. For the present consideration of Order of Business 1208, Senate bill 5431.

The VICE PRESIDENT. Let it be read.

The Chief Clerk read the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and to insert:

That the times for commencing and completing the construction of a bridge across the Potomac River at or near Dahlgren, Va., authorized to be built by the George Washington-Wakefield Memorial Bridge, a corporation, its successors and assigns, by an act of Congress approved May 5, 1926, heretofore extended by acts of Congress approved February 16, 1928, February 26, 1929, February 19, 1930, and February 6, 1931, are hereby further extended one and three years, respectively, from the date of approval hereof.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BORAH. Mr. President, do I understand that this is an extension of the \$14,000,000 bridge?

Mr. TYDINGS. No; it is a new bridge. No work at all has been done on the project. It will cost about \$3,000,000, and is to be built between southern Maryland and Dahlgren, opposite Washington's former home at Wakefield. It is a private organization composed of men of the highest type.

Mr. McKELLAR. Does it contain any authorization of an appropriation?

Mr. TYDINGS. No.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend the time for the construction of a bridge across the Potomac River at or near Dahlgren, Va."

APPLICATION OF MERCHANT MARINE LAW TO VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3950) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States," which were, on page 2, line 4, after "United," to strike out the balance of the paragraph and insert "States, until the President of the United States shall, by proclamation, declare that such coastwise laws shall extend to the Virgin Islands and fix a date for the going into effect of same," and on page 2, beginning with line 9, to strike out all of section 2.

Mr. MOSES. I move that the Senate concur in the amendments of the House.

Mr. McKELLAR. One minute, Mr. President. Will not the Senator let this matter go over until to-morrow? I think the House amended the bill by striking out some provision in it.

Mr. MOSES. I am acting in behalf of the majority of the Committee on Commerce, which considered the bill here; but in view of the Senator's representations, I will withhold my motion for one day.

Mr. McKELLAR. I hope the Senator will let it go over until to-morrow.

COUNT OF ELECTORAL VOTE

The VICE PRESIDENT. The hour of 12.40 p. m. having arrived, the clerk will call the roll for the purpose of ascertaining the presence of a quorum, which will be noted in the RECORD, in order that the Senate may proceed to the Hall of the House of Representatives to participate in the joint session to be held for the purpose of counting the electoral vote for President and Vice President of the United States.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Harrison	Moses
Austin	Costigan	Hastings	Neely
Bailey	Couzens	Hatfield	Norbeck
Barbour	Cutting	Hayden	Norris
Barkley	Dale	Hebert	Nye
Bingham	Davis	Hull	Oddie
Black	Dickinson	Johnson	Patterson
Borah	Dill	Kean	Pittman
Bratton	Fess	Kendrick	Reed
Brookhart	Fletcher	Keyes	Reynolds
Bulkeley	Frazier	King	Robinson, Ark.
Bulow	George	La Follette	Robinson, Ind.
Byrnes	Glass	Lewis	Russell
Capper	Glenn	Logan	Schall
Caraway	Goldsborough	McGill	Schuyler
Clark	Gore	McKellar	Sheppard
Connally	Grammer	McNary	Shipstead
Coolidge	Hale	Metcalf	Shortridge

Smith
Smoot
Steiwer
Stephens
Swanson

Thomas, Idaho.
Townsend
Trammell
Tydings
Vandenberg

Wagner
Walcott
Walsh, Mass.
Walsh, Mont.
Watson

Wheeler
White

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, there is a quorum present.

Senators, under the order of the Senate adopted in furtherance of the concurrent resolution providing for the counting of the electoral vote for President and Vice President of the United States, the Senate will now proceed to the Hall of the House of Representatives. After the joint session shall have been concluded there, the Senators will return and resume legislative business.

Thereupon the Senate, preceded by the Vice President, the Secretary of the Senate, the secretary for the majority, and the secretary for the minority, assistants of the Sergeant at Arms, proceeded to the Hall of the House of Representatives.

The Senate returned to its Chamber at 1 o'clock and 45 minutes p. m., and the Vice President resumed the chair.

RECESS

Mr. McNARY. Mr. President, I move that the Senate take a recess until 15 minutes past 2 o'clock.

The motion was agreed to; and the Senate took a recess until 2 o'clock and 15 minutes p. m., at which time the Senate reassembled and the Vice President resumed the chair.

COUNT OF THE ELECTORAL VOTE

The VICE PRESIDENT. The Senator from Illinois [Mr. GLENN] is recognized.

Mr. GLENN. Mr. President, I desire to report that the two Houses of Congress of the United States met in joint session at 1 o'clock this day for the purpose of ascertaining the result of the election held on November 8 last for the office of President of the United States and Vice President of the United States; that thereupon the certificates of the electors of the several States of the votes cast by them for those offices were opened by the Vice President of the United States and delivered to the tellers. On being examined it appeared that the votes of the electors of the several States had been cast in accordance with the list which will be sent to the desk at the conclusion of my statement.

The certificates show that the state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for President of the United States is 531, of which a majority is 266.

Franklin D. Roosevelt, of the State of New York, has received for President of the United States 472 votes;

Herbert Hoover, of the State of California, has received 59 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of electors appointed to vote for Vice President of the United States is 531, of which a majority is 266.

John N. Garner, of the State of Texas, has received for Vice President of the United States 472 votes;

Charles Curtis, of the State of Kansas, has received 59 votes.

I presume the concluding statement should be made by the Vice President of the United States, and, therefore, I send the list to the President of the Senate.

The VICE PRESIDENT (reading):

The state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for President of the United States is 531, of which a majority is 266.

Franklin D. Roosevelt, of the State of New York, has received for President of the United States 472 votes; Herbert Hoover, of the State of California, has received 59 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for Vice President of the United States is 531, of which a majority is 266.

John N. Garner, of the State of Texas, has received for Vice President of the United States 472 votes; Charles Curtis, of the State of Kansas, has received 59 votes.

This announcement of the state of the vote by the President of the Senate shall be deemed a sufficient declaration of the persons elected President and Vice President of the United States, each for the term beginning on the 4th day of March, 1933, and shall be entered, together with a list of the votes, on the Journals of the Senate and House of Representatives.

[For tabulation of electoral vote for President and Vice President of the United States, see House proceedings of this day, page 3639.]

INTERIOR DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, the title of which will be stated.

The CHIEF CLERK. A bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

GOVERNMENT ACCOUNTING AND AUDITING SYSTEMS

Mr. WHEELER. I desire to call up and have considered at this time Senate Resolution 350 and Senate Resolution 351. I ask unanimous consent that those resolutions may be considered.

Mr. SMOOT. If their consideration will not lead to debate, I shall not object.

Mr. WHEELER. I am quite sure they will not lead to debate.

Mr. McKELLAR. Will the Senator state what they are?

The VICE PRESIDENT. Let the first resolution be reported for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 350) submitted by Mr. WHEELER on the 7th instant, as follows:

Resolved, That the Comptroller General of the United States be, and he is hereby, directed to submit, on or before April 15, 1933, to the Senate of the United States a detailed report of the savings that may be effected through the reorganization, centralization, consolidation, and/or elimination of accounting records, accounting and audit procedures, disbursing and collecting officers, and purchasing and warehousing activities of the Governments of the United States and the District of Columbia.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. FESS. Mr. President, I asked yesterday that the resolution should go over for the day. I have since examined it, and have no objection.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution was considered and agreed to.

REPORTS ON DEPARTMENTAL FUNCTIONS

Mr. WHEELER. I now ask unanimous consent for the immediate consideration of Senate Resolution 351.

There being no objection, the resolution (S. Res. 351) submitted by Mr. WHEELER on the 7th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the heads of all departments, independent establishments, and Government owned and/or controlled corporations be, and are hereby, directed to submit, on or before April 15, 1933, to the President of the United States and to the Senate of the United States a detailed report of all functions, including accounting, disbursing, collecting, purchasing, and personnel, performed by said departments, establishments, and corporations, together with the authority for the performance of each function and the annual cost thereof.

VETERANS' CLAIMS

Mr. SHORTRIDGE. Mr. President, I ask unanimous consent that an editorial appearing in the Palo Alto (Calif.) Times, published in Palo Alto, Calif., under the caption "Press is Misjudged Regarding Attitude on Veterans' Claims," may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily Palo Alto Times, Palo Alto, Calif., Monday evening, January 16, 1933]

PRESS IS MISJUDGED REGARDING ATTITUDE ON VETERANS' CLAIMS

For some unaccountable reason the newspapers never have succeeded in getting the fact across that mere publication of a news story does not imply indorsement or approval. Publication of the facts of a murder does not indicate editorial approval of the

murder. Nor does publication of a speech, resolution, legislative bill, or motion imply sympathetic attitude toward the contents. Newspapers continually publish texts of addresses and communications which are flagrantly in opposition to the announced editorial views of the publishers. But despite that oft-repeated demonstration, evidences pop up every now and then that some readers take for granted that any quoted matter appearing in the columns is necessarily there solely for propaganda purposes of the publication.

An evidence of that sort is furnished to-day in a forum-column contribution from officials of two local veterans' organizations. The letter begins: "While the bitter controversy is going on between the National Economy League, the United States Chamber of Commerce, and the veterans, it has been brought to our notice that the press, subsidized by national advertisers, is effectually keeping the veterans' side of the argument from the public."

That statement is both erroneous and unfair. The press, to begin with, is not "subsidized" by advertisers of any sort—national or local. Moreover, neither the press nor the advertisers are in any sort of conspiracy on the question of veterans' relief. Furthermore, the press is not keeping the veterans' side of the argument from the public. The newspapers take the stories as they break. When veterans' organizations engage in a conspicuous or otherwise important activity, the stories are published. When opposition to the claims of veterans is presented importantly and conspicuously, that, too, is news, and naturally finds its way into the news columns. The papers are under no obligation to "balance books" on the news. They take the breaks as they come.

The correspondents in their forum-column letter to-day state: "Your paper (Times) published an article on December 19, 1933, followed by another on January 4, 1933, which stated that a saving of \$400,000,000 in governmental expenditures could be made if the recommendations of the United States Chamber of Commerce and the National Economy League were adopted by Congress." The inference from that quotation would be that those articles were expressions of opinion by the Times. Such was not the case. The first article referred to was an Associated Press dispatch from Washington reporting recommendations to Congress by the United States Chamber of Commerce. The second was a dispatch from Washington reporting a proposal by the chairman of the House Veterans' Appropriations subcommittee. Publication of the stories implied nothing regarding the paper's attitude.

Certainly there can be no disputing the fact that statements made so conspicuously and coming from such important sources were news. And is it not important from the veterans' own standpoint that such news be published? Failure of the press to include such news in its columns would evoke the complaint that pertinent information was being suppressed so as not to allow the compensation claimants the opportunity of combating their opposition.

In order to remove any idea that may still linger regarding any conspiratorial tie-in between the policies of the allegedly "subsidized" press, the national advertisers, and any organizations, the Times hereby declares its editorial stand on the subject of veterans' claims:

First. We believe that veterans whose disabilities are service connected are entitled to every cent which they have received, which they are receiving, and which they may receive from the United States Government.

Second. In many cases we believe that the compensation of such veterans is far below the amount to which they are justly entitled.

Third. We oppose any reduction in the amounts being paid to such veterans.

Fourth. We favor the reduction or the complete elimination of compensation which is being paid to veterans whose disabilities are not service connected. We do not believe that such veterans are entitled to compensation in the first place and we believe that every cent which is paid to them takes away from compensation which should be paid to veterans with service-connected disabilities.

Fifth. We oppose the hospitalization of veterans for disability not service connected.

Sixth. We oppose the payment in advance of the "bonus" or adjusted compensation. Our reason for this opposition is based on the belief that pressure for payment will jeopardize the payment of compensation to veterans with service-connected disabilities.

We believe that the present agitation for the reduction for all payments of every sort to veterans is caused, first, by the drive for the "bonus," second by the tremendous sums paid to veterans for disabilities not service connected, and, third, the enormous cost of hospitalization of veterans for disabilities not service connected.

Our attitude may be summed up in this statement: We believe that the country can not do too much for the veteran who was disabled in service and we oppose compensation and hospitalization for the veteran whose disability was not service connected for the reason that the cost of such payment and such hospitalization jeopardizes the chances of the veteran with service-connected disability to secure just and adequate compensation.

THE TARIFF OUTLOOK—1933

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Record an address by William L. Monro,

a prominent citizen and manufacturer of Pennsylvania. I am in accord with Mr. Monro when he says:

The brunt of increased foreign competition will fall with crushing weight on American labor. A factory can close down, a furnace can be drawn, and a machine can stop to await the return of better days. But there is no such waiting for our workers if they are to live and we to survive.

There being no objection, the article was ordered to be printed in the Record, and it is as follows:

THE TARIFF OUTLOOK—1933

By William L. Monro

We meet this year in the midst of a considerable tariff uncertainty. I say this not at all as an alarmist, but rather as an undeniable fact which makes difficult all attempts at analysis of the future and complicates attempts to formulate a program and a policy. A large part of this tariff uncertainty is political in its origin and character. In less than six weeks the present part-Republican administration will give way to an administration overwhelmingly Democratic. In the next House of Representatives the Democratic Party will have a membership of 314, which means a majority of 193. The next Senate will be made up of 59 Democratic Members, giving the party a majority of 22. In both the House and Senate, in other words, the party's majorities will be clearly more than enough to carry out a strictly Democratic tariff program, but to say what this program will be requires more analytical vision than I confess I have.

The Democratic Party stands committed to a competitive tariff for revenue, coupled with a policy of tariff reciprocity with the rest of the world. The effective adoption of such a program would seem to call for a revision of the present Hawley-Smoot law, but I know of no better way to indicate the tariff uncertainty confronting us than to refer to the lack of agreement among two of the most prominent Democratic tariff leaders in Washington. Less than a year ago Senator HARRISON, of Mississippi, who will be the new chairman of the Senate Finance Committee, publicly charged that "the Smoot-Hawley tariff bill wrecked this country," and he added, "I will stand by that statement." Less than two months before Senator HARRISON made this charge, his colleague in the House, Congressman RAINY, who may be the new chairman of the Ways and Means Committee, admitted that the Democrats did not dare reduce the rates in the Hawley-Smoot law for fear of permitting a flood of cheap foreign merchandise to come into this country. As a further indication of the prevailing lack of tariff agreement in official Washington, I might refer to the announcement two weeks ago that both Senator COSTIGAN and Congressman LEWIS (both former members of the Tariff Commission) will propose that the new administration reduce the rates in the industrial schedules to the levels of the Democratic Underwood-Simmons Act of 1913.

Despite this disagreement, however, and the uncertainty which it suggests, it seems to me extremely unlikely that we shall go through the coming year without congressional consideration of the tariff, and, therefore, despite the uncertainty and disagreement, I propose a brief analysis of the outstanding features in the existing tariff situation which I believe will necessarily play a large part in the tariff program with which we shall have to deal.

THE TEST OF A COMPETITIVE TARIFF

First, I refer again to the Democratic Party's commitment on the tariff. The party stands pledged to a competitive tariff for revenue, supplemented by a policy of tariff reciprocity with the rest of the world. There is likely to be some difficulty, it seems to me, in actually formulating a tariff program which will fulfill these two fundamental statements of purpose, but assuming this can be done, let us consider the result. We shall have a competitive tariff, which is what the Democratic tariff law of 1913 was. The test of such a tariff, according to both President Wilson and one of its sponsors, Congressman Underwood, is to be found in the volume of competitive imports which are allowed to come into our country to compete with the products of American industry, agriculture, and labor. President Wilson was particularly specific in explaining the principle of a competitive tariff. The theory of such a tariff, he said, is "to introduce in every line of industry a competitive basis, providing for a substantial amount of importation * * *." This, I think we must assume, still holds, and in this explanation of the underlying theory of a competitive tariff we have at least a good indication of the fundamental character of the tariff law which the Democratic Party stands pledged to give us.

This proposal for a foreign competitive basis for American industries and labor overlooks the fact that the industries of this country are, without exception, more highly competitive than in any other country in the world. It also overlooks the fact that the foreign competition which is to be invited into our markets is largely from industries that are operating in their own countries under trade agreements, cartels, and the like regulating production and selling prices, all by government sanction.

RECIPROCITY IN OPERATION

Presumably a new Democratic tariff law will reserve our century-old tariff policy under which our dutiable schedules have provided for a single rate of duty per commodity applicable to all imports regardless of their country of origin. Such a tariff policy means a program of tariff bargaining with foreign countries under which, in return for concessions and advantages

granted our trade by a foreign country, we reciprocate by granting tariff concessions to our imports from that particular foreign country. This, of course, is but another way of saying that we shall reduce our duties on imports from those countries that give us tariff concessions on our exports. Query: If our rates have already been reduced to competitive-tariff levels, are they to be further reduced by this policy of international reciprocity and tariff bargaining, and is this policy of a competitive-reciprocity tariff to be inaugurated in the face of the wholesale drastic reduction in our rate structure which has been brought about by the world-wide depreciation in foreign currencies?

THE MENACE OF DEPRECIATED CURRENCY IMPORTS

No analysis of our tariff future is complete without a consideration of the increasing menace of depreciated-currency imports to our industries and our labor. I referred to this problem in my report to you a year ago, saying that 23 foreign nations were more or less completely off the gold standard; a survey of the Department of Commerce in December indicated that the number of such countries has increased to 44. A year ago, the maximum depreciation was about 30 per cent of par; this morning the Japanese yen is quoted at 20.75 cents on a par value of 49.85 cents—a depreciation of 58.4 per cent. I also referred to the fact a year ago that there is not a single provision in our tariff law to deal with this economic menace, and after a year of intensive effort, in which the Tariff League has participated to the limit of its ability and resources, we are still without a remedy against depreciated-currency imports, thanks to the refusal of Congress to act.

The menace, both actual and potential, of the unfair competition of depreciated-currency imports in our markets has reached such a point where I may say that many Democratic leaders in Washington are convinced of the need for congressional action. Further, I am informed that in the opinion of one of these legislators the failure of our efforts last spring and summer to secure remedial legislation was due in part to the lack of appreciation in the country generally of the menace of this unfair foreign competition in our markets. I think this probably was the case six months ago; in fact, I think it was probably the case up until about a month ago. But the last 30 days has brought a development on this score of tremendous importance. About a month ago the Hearst newspaper chain, impressed by the seriousness of depreciated-currency imports to our industries and our workers, started a popular campaign of truly heroic proportions in support of congressional action against these ruinous importations. This campaign by the Hearst newspapers is, in my opinion, a great public service to the American people. Here is a power that can educate and arouse the people to the seriousness of this unfair foreign competition in our markets; and the Congress never met that dares remain adamant to the demands of an aroused people.

SHORTER HOURS FOR LABOR MEANS INCREASED COSTS

Under these circumstances, action of some kind must soon be forthcoming, and we have therefore a most anomalous situation. The Democratic Party stands pledged to a downward revision of our tariff, but the party will actually assume control of our national policy confronted with the need for restoring the protective intent of the rate structure in the act of 1930. The party's course, it seems to me, should not be a difficult one to choose. With national and international conditions as they are, an abandonment of our protective-tariff policy at this time would result, I am convinced, in a setback of disastrous proportions. Even under good business conditions, we are faced with the serious problem of absorbing a surplus of labor.

Under the stress of the economic conditions of the past three years public opinion has moved far in favor of absorbing our idle labor through a reduction in the working hours per man per week. Such a program necessarily involves the question of wages as well as hours, if we are to maintain the American standard of living. To do this the employer and the employees must share the burden of increased production costs which will inevitably follow a reduction in the number of hours worked per man. To the extent that these increased costs result in higher selling prices it will invite increased importations of foreign-made competitive merchandise. This would decrease employment in this country, and I see no escape from the conclusion that a reduction in the working hours of labor, with its consequent increase in manufacturing costs, will require increases in the tariff if our rates are to equalize the difference between foreign and domestic costs.

I fully realize that we seem to have lost sight of this principle of cost equalization in the maze of economic arguments advanced in support of a competitive reciprocity tariff for this country. Cutting through the maze of discussion and propaganda, the economic case for any such tariff program rests on two principal arguments.

TARIFF REDUCTION FOR INCREASED EXPORTS—UN SOUND AND FALLACIOUS

The first of these arguments claims that a revival of our export trade and a restoration of it to something like the levels of 1928 and 1929 is the key to the return of prosperity, and that such a revival and restoration of our export trade can only be secured by a reduction in our tariff which will permit foreign producers to increase the sale of their goods in our markets. This argument is accepted at its face value by a great many people. It is publicly proclaimed by economic theorists, spokesmen for the automobile industry, bank and college presidents, and others. In short, the argument has widespread acceptance, and it is certainly not lacking in support of an apparently substantial character. Despite the

impressive array of intelligence which supports and advocates it, however, I believe the argument to be thoroughly unsound and wholly fallacious.

TWO-THIRDS OF OUR IMPORTS NOW DUTY FREE

It is now generally appreciated that under our present tariff law about two-thirds of all our imports come in duty free. The importance of this lies not so much in the size of this percentage as it does in the fact that it is a fundamental principle in our protective-tariff policy to levy duties only on luxury articles and on foreign-produced merchandise that is competitive with the products of American labor, agriculture, and industry. This being so, it inevitably follows that a reduction in our tariff deliberately made so that foreign producers can take over a larger share of the American market would call for a reduction in the rates applicable to foreign-made merchandise which would compete with and displace in our markets the products of our workers, our farms, and our factories. And we are told that by increasing our imports—our competitive imports, if you please—the resulting increase in our export trade will more than make up for the unemployment of our workers and the idleness of our plants, which surely will follow an increase in competitive imports.

Now here is fallacy indeed; here, it seems to me, is a proposal contrary to common sense. Such a proposal proceeds on the naïve assumption that a reduction in our tariff on competitive imports will be automatically followed by world-wide reductions in foreign tariffs which are to-day one of the two outstanding causes of the decline in our export business. I called this assumption naïve; I would add that I consider it violent and wholly unjustified. International trade is, to a much greater degree than domestic trade, devoid of sentiment. Foreign nationals buy from us those things, and only those things, which we can sell them more cheaply than other producers can. I know of no greater proof of this than the fact that in the first quarter of 1931 England bought more wheat from communistic Russia than she did from her own Dominion of Canada. I say, therefore, that the export-traders' assumption that a reduction in our tariff will automatically be followed by a widespread movement in foreign countries to buy American goods is contrary to all known facts.

1 PER CENT EQUALS 10 PER CENT AND 2 PER CENT EQUALS 20 PER CENT

But overlook all this and consider the argument from a very simple statistical standpoint. For the past 30 years our export trade has amounted to about 10 per cent of our total annual production; not 10 per cent of our total domestic business, be it noted, but 10 per cent of what the Department of Commerce calls our total production of movable goods. The latest available figures are for 1929, and in that year our total production was valued at almost \$53,000,000,000, while our total exports were valued at slightly over \$5,000,000,000. The export-trade argument says we must lower our tariff to increase imports so as to increase exports. Suppose we were to do so and that we let in enough increased imports to cut our domestic production by only 2 per cent. Two per cent of \$53,000,000,000 is over \$1,000,000,000. To offset and make up for this 2 per cent loss to our producers calls for a 20 per cent increase in our export trade. This may all sound complicated, but it is plain arithmetic. So long as our domestic production is ten times as great as our export trade, every cut of 1 per cent in our domestic production calls for a 10 per cent increase in our export trade if we are to break even. Otherwise we sacrifice a part of our great domestic market for a mess of export porridge. Furthermore, we can only increase our export trade by engaging in a battle of prices in the world's markets with foreign producers who have the competitive advantage which comes from the lower wages, longer working hours, and the lower standards of living of foreign countries. In the face of these conditions, who is foolish enough to believe that having lowered our tariff and admitted an increased volume of imports that we can secure a corresponding increase in our export business?

WHO REALLY WILL PAY FOR INCREASED EXPORTS?

In the second place, the proponents of the argument that we must restore our export trade to some such proportions as prevailed in 1928 and 1929 seem completely to overlook the tremendously important fact that we ourselves financed our predepression export business. Thanks to the operations of our international bankers during the years from 1923 to 1928, the American people paid for the exports with which we filled the holds of almost every outgoing ship during the whole of the late-lamented boom years. In fact, as matters stand to-day, it can almost be said that we gave away most of the exports we shipped out in the predepression years. I believe that our export-trade advocates have the burden of telling us and the American people who really is going to pay for the export business we buy at the price of tearing down our tariff.

OUR 90 PER CENT DOMESTIC MARKET

Finally, the proponents of this theory that our return to prosperity is dependent upon an increased volume of export trade overlook the fact that we are ourselves our own best customers.

We regularly consume fully 90 per cent of our total production every year, and our prosperity depends upon this domestic trade to an infinitely greater degree than it does on our foreign trade. When this country is operating on a reasonably normal basis the wheels of industry are humming loudly, unemployment is at a minimum, wages are high, our people are living up to American standards, profits are being disbursed as dividends; in short, the country is prosperous, and it is prosperous because of the tremendous consuming capacity of our own markets. A return of

our domestic consuming capacity is what we need, and not a greater increase in our export trade. During the last three years of depression many of our leading industries have planned for economies and greater efficiency, so that a production of only 35 per cent or 40 per cent of capacity means operation "in the black." Under these conditions I leave to you what their showing would be under an operation of 80 or 90 per cent of capacity. I say again that our return to prosperity does not depend upon an increase in our foreign trade. We need to open up again our unrivalled market. We need a revival of confidence. We need to revolt against our own timidity and dare to go ahead. Our future lies in a dependence on and within ourselves, and not in a dependence on foreign countries and foreign markets.

THE WAR DEBTS

The other principal economic argument advanced in support of the proposal that we abandon our protective-tariff policy grows out of the relation between our tariff policy and the pressing problem of international debts.

We are a creditor Nation to the extent of approximately \$22,000,000,000, after deducting the \$4,000,000,000 which is estimated to be the par value of the foreign holdings of American obligations. Of the total foreign debts due us, approximately eleven and one-half billion dollars are on account of the so-called war debts, while about fourteen and one-half billion dollars represents the total of the so-called private or commercial debts, most of which are the result of our international banking operations during the 10 years after the armistice. As regards methods of payment on account there is no difference between the intergovernmental war debts and the private debts. Both can be paid, if paid at all, in three ways: By the transfer of gold, by payment in services, and by payment in goods.

In view of this most important similarity between the war debts and the postwar private commercial debts, I have been impressed during the last year at the apparent lack of consideration of the ultimate disposition of these private debts. Practically all of the discussion concerning cancellation, reduction, and revision have related to the intergovernmental war debts, apparently on the theory that if these could be satisfactorily disposed of the private debts would take care of themselves. This may be so; in any case, with this much of a comment on the close similarity between the war debts and the private debts, I shall limit myself to a consideration of the war debts as these relate to our tariff policy. It will be useful at this point to refer briefly to the magnitude of the amounts involved at this time to accomplish the annual payments of the war debts. Under the terms of the funding agreements we have with the 15 nations obligated to us on account of the war debts the total of the payments due us for 1932 amounted to \$246,000,000. For 1933 the total of the payments due us amounts to \$280,000,000.

THE MEANS DESTROYS THE END

Obviously, substantial payments in gold are out of the question for the time being, leaving payment in services and payment in goods as the only two available methods. Of these two methods we are most concerned with the latter—payment in goods—and payment in goods means merchandise imports into the United States. To the extent that this merchandise is competitive with the products of our own workers, farms, and factories, it means that we displace American products and American workers with foreign-made merchandise, and displacing American workers inevitably means reducing their purchasing power and their demand for goods, both foreign and domestic. Thus, I fear that in taking payment for the international debts due us in foreign-made goods we become involved in a vicious circle. Our foreign debtors can pay us in goods only to the extent that our markets can and will absorb this foreign-made merchandise. And to the extent that this foreign-made merchandise is competitive with and displaces American-made goods, to that extent we reduce the capacity of our markets to absorb our debtors' products. The means, in other words, destroys its own end, for as our foreign debtors pay their debts to us by taking over an increased share of the American market, by the very process of doing so they destroy the market which is to absorb their merchandise.

Is the alternative, it will be asked, cancellation of these intergovernmental war debts? Not necessarily, in my opinion, but the alternative, I believe, does involve certain revisions and considerable readjustment. The English debt, as it now stands, is wholly out of line with the settlements made with all our other debtors. On the basis of simple fairness, if on no other, it seems to me the English debt should be reviewed and revised, and I think, too, that our consideration of the problem will have to go beyond England as a result of the international financing of the private loans by our bankers since the original examination of our debtors' capacity to pay on which the existing funding agreements are based.

FURTHER POSTPONEMENT OF PAYMENTS NECESSARY

In the meantime, I see but one solution—a further deferring of the annual war-debt payments, both principal and interest, until such time as our debtors can pay without crippling themselves. This does not mean, nor does it require, a return to the dizzy heights we reached in 1928 and 1929. A return to what I shall call the reasonably normal conditions of 1925, 1926, and 1927 would, I believe, provide us with a highly satisfactory working basis. During each of those three years, for example, it is estimated that American tourists in foreign countries spent on the average over \$600,000,000—an amount more than twice the amount of the current annual payments on the war debts on account of both principal and interest. Most of these tourist expenditures

were made in the very countries obligated to us on account of the war debts, and every dollar of these expenditures is as effective in the payment of these war debts as is the transfer of gold or payment in goods. Here, in this one item of the so-called invisible trade which runs heavily against us every year is a method of paying the war debts which I think has not been given its proper attention.

I shall summarize my whole consideration of this complicated problem concerning the relation between our tariff policy and the payment of the war debts by saying that I believe the Tariff League should oppose any proposed settlement of our international debts—both public and private—made at the expense of our labor and our industries at a time when our business is reduced to a minimum and our unemployment stands at an all-time high. I shall add to this what I said to you a year ago: If and when the problem narrows down to a choice of two alternatives—one the abandonment in whole or in part of the foreign debts due us, and the other an abandonment of our American markets to foreign-made goods in order that these foreign debts may be paid—it seems to me the choice is inevitable. At all costs we must protect our workers, our farms, and our industries from a foreign competition of such ruinous character that it would lead to economic chaos and possibly to social revolution.

CONCLUSION

In conclusion: We are confronted with a tariff outlook in which the continuance of our protective policy is at stake. Serious enough under the best of conditions, the abandonment of our protective tariff at this time seems to me like a leap into the unknown. For more than three years we have struggled with a series of economic reverses of almost overwhelming proportions, and we are threatened now with another in the form of increased foreign competition in our own markets. The brunt of this increased foreign competition will fall with crushing weight on American labor. A factory can close down, a furnace can be drawn, and a machine can stop to await the return of better days. But there is no such waiting for better days for our workers. They must work if they are to live and if we are to survive.

Our greatest need is for stability. Stability begins in the market, and the violent disturbance of our markets which would inevitably follow the enactment of a competitive-reciprocity tariff at this time would be, I repeat, a setback of disastrous proportions. The Tariff League, therefore, it seems to me, should urge upon our incoming administration, even to the point of pleading with its responsible leaders, the adoption of a tariff policy which will not open our markets to the low-cost producers and labor of foreign countries. This calls first for a legislative check on the growing menace of depreciated-currency imports, and it calls for the continued maintenance of our protective-tariff policy.

My final word is a single sentence quoted from the CONGRESSIONAL RECORD: "We do not want this market flooded with the products of cheap labor in other countries." That statement was made on January 9, 1932, on the floor of the House by Congressman HENRY T. RAINEY, of Illinois, Democratic tariff leader and low-tariff advocate. I shall add to it only: "By their fruits ye shall know them."

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

Mr. SMOOT. Mr. President, I will make only a brief statement regarding the bill. The appropriations in the bill as it was passed by the House totaled \$43,652,904.

The amount added by the Senate committee—that is, the net amount—is \$164,940.

The amount carried by the bill as reported to the Senate is \$43,817,844.

The amount of appropriations for 1933, the present fiscal year, was \$67,183,684.35.

The amount carried by the bill as reported by the Senate committee is under the estimates for 1934 by \$2,266,085, and, compared with the appropriations for the fiscal year 1933, represents a reduction of \$23,365,840.35.

There are very few amendments to the bill, and I doubt very much whether there is any objections to the amendments which have been reported.

The VICE PRESIDENT. The reading of the bill will be proceeded with, and the first amendment of the committee will be stated when it is reached in the reading.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Bureau of Indian Affairs, Industrial Assistance and Advancement," on page 18, line 10, after the name "Oregon," to strike out "\$10,000" and insert "\$20,000," so as to read:

Insect control work, Klamath Indian Reservation, Oreg. (tribal funds): For continuation of forest insect control work on the Klamath Indian Reservation in Oregon, \$20,000, payable from

funds on deposit in the Treasury to the credit of the Klamath Indians.

TAX-EXEMPT SECURITIES

Mr. ASHURST. Mr. President, I offer due apology for discussing a subject not immediately related to the pending bill. Last week I had expected to address the Senate on the subject of tax-exempt securities, and I meditated a speech thereon of perhaps half an hour in length. It so happened, however, that on last Monday morning I was in conference with a body of distinguished gentlemen who fell into a discussion of the uselessness, indeed the futility, of protracted speeches in the Senate. So I began to plan to limit my remarks on the subject of tax-exempt securities to five minutes.

Mr. President, the Secretary of the Treasury estimated in his report for the fiscal year ended June 30, 1932, that on December 31, 1931, there were outstanding in the United States \$22,536,000,000 in securities that are exempt from taxation so far as the normal income tax and the surtax are concerned. These figures given out by the Secretary of the Treasury are by no means an exaggeration. Here, therefore, Mr. President, is a tremendous reservoir of wealth, possessed largely by men and women of vast property, that is not paying its due proportion and share of the taxes to maintain the Federal Government, whilst the men and women who toil and do not possess large property must pay income taxes.

Recently it has been proposed in Congress and elsewhere "to broaden the base," so as to make the income tax apply to still larger numbers of persons of small means, as a way out of the Treasury deficit. I respectfully point to this vast reservoir of wealth, \$22,536,000,000, which is exempt from the normal income tax and the surtax.

Some time ago I introduced a joint resolution, being Senate Joint Resolution 224, to provide an amendment to the Constitution under which hereafter no more tax-exempt securities shall be issued. I realize that it may be some time before such an amendment could be adopted and become a part of our Constitution. Happily, however, it is within the power of the Federal Government to decline further to issue tax-exempt securities, and, happily, it is within the power of every State and every county and every municipal corporation to decline hereafter to issue tax-exempt securities; and, therefore, the remedy is within their own hands. If people complain that this already vast reservoir of nontaxable securities continues to increase in volume, they have but themselves to blame.

It is well, Mr. President, to remember that every time the Federal Government issues a tax-exempt security, every time a State, a county, or a municipality issues a tax-exempt security, a double burden of taxation is thereby immediately placed upon some other person.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I yield.

Mr. KING. I recognize that my able friend from Arizona has been a student of this question, and I am inclined to defer to his judgment; but I challenge his attention to the fact that many representatives of States—and one of them wrote me a letter, which I received this morning—learning of the movement looking toward a constitutional amendment that would subject municipal and State securities to taxation, protest against it upon the ground that so long as the States may sell their securities free from the burden of taxation they can get a much larger amount for the bonds which they issue than if those bonds were subject to taxation. They say, too, what they lose in taxes and what the Federal Government loses in taxes the States as well as the Federal Government are more than compensated by the advantageous disposition which they may make of their securities. They can sell them above par, and they can reduce the rate of interest perhaps from 4 or 5 or 6 per cent down to 2 or 3 per cent.

I have been constrained to accept that view in the past, and I know that many able men who do not like this tax exemption have felt that perhaps, taken by and large,

there was a sort of equilibrium maintained between the advantages and the disadvantages. Furthermore, there has been a sort of hostile feeling toward the Federal Government saying to the States, "We are going to tax your securities." There might arise a period when the Federal Government would want to tax the States out of existence or to limit their authority, to the extent that they might do by taxation, and thus the States would be unable really to issue securities for the maintenance of their governments.

Mr. ASHURST. Mr. President, reciprocating the compliment the able Senator from Utah was so kind as to pay to me—the Senator is a member of the Senate Committee on Finance, and is a closer student of the general subject of finance than am I; it so happens, however, that for some years I have given the subject of tax-exempt securities close consideration; and now in vindication of my assertion that most subjects before the Senate may be discussed in 5 or 10 minutes, the able Senator from Utah has in three or four minutes said about all that may be said in opposition to a refusal hereafter to issue tax-exempt securities. The able Senator, in a few sharp sentences, gave all the arguments that may hereafter be, or that have heretofore been advanced in favor of tax-exempt securities.

Mr. President, admitting for the sake of the argument that there might be a reciprocal balance—there is still another factor in this question, and it is a factor that Bismarck called an "imponderable." I tell you, Mr. President—respectfully, of course—that the American people, finding the depression long, are short in temper; and the longer the depression lasts, the shorter will be their temper.

We are obliged to confront an "imponderable." When people realize that this citizen with his breast-pockets bulging with nontaxable securities and that citizen with a safety deposit box filled with nontaxable securities have the same protection under the Government as does the man who pays taxes, it does not require a close observer to realize that there is a feeling that an unfairness exists.

It is like the old-time railroad passes: Every time a passenger rode upon a free pass the next passenger who came along and paid fare was required to pay for the transportation of the free passenger. It is an inexorable law that can not be escaped, denied, or dodged; and in my judgment, the issuance of tax-exempt securities should cease. It is time to set in motion some movement looking toward the refusal of the States and the refusal of the Federal Government hereafter to issue tax-exempt securities.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Iowa?

Mr. ASHURST. I yield.

Mr. BROOKHART. I should like to call the Senator's attention to the argument which is frequently made, that through the issuance of these tax-exempt bonds money is raised at a lower interest rate, which in effect pays the taxes by a lower interest rate. What has the Senator to say about that?

Mr. ASHURST. I do not know that the able Senator from Iowa was in the Chamber when the junior Senator from Utah [Mr. KING] made the same point.

Mr. BROOKHART. No; I did not hear it made.

Mr. ASHURST. I said in reply that, in my judgment, that is the only argument that can be made for tax-exempt securities. Assuming it to be sound, there nevertheless remains this "imponderable," which for a century has disturbed and will continue to disturb our people, to wit, the sense of unfairness in permitting one class of persons to escape taxation, to have their breast pockets bulging with nontaxable securities and their strong boxes almost bursting with nontaxable securities, while upon the other citizen a double burden of taxation is thereby placed.

Mr. BROOKHART. Mr. President, another question.

The VICE PRESIDENT. Does the Senator from Arizona yield further?

Mr. ASHURST. I yield.

Mr. BROOKHART. The Senator from Virginia [Mr. GLASS]—who, I hope, will be our next Secretary of the

Treasury—said recently that the interest rate on these Government loans should have been reduced long ago.

I have had a feeling myself that Mr. Mellon's whole administration has been a plan to maintain high interest rates. I have felt all the time that he could have reduced the interest rate on these Government bonds, because every issue since he has been Secretary of the Treasury has been oversubscribed. I have felt that always they were put out at an interest rate higher than tax-exempt bonds ought to carry. If the public authorities would hold down the interest rates, there would be still more merit in that argument, would there not?

Mr. ASHURST. When you take me into the field of finance, I do not feel at ease in measuring blades with men like the senior Senator from Utah [Mr. Smoot] and the junior Senator from Utah [Mr. King] and other Senators. It so happens, however, that I have given this subject of tax-exempt securities a particular study for some years, and I am convinced that the country ultimately will see the injustice of issuing tax-exempt securities.

In conclusion, I ask leave to have printed in the RECORD at the end of my remarks a copy of my joint resolution; an article from Scribner's Magazine for January, 1933, by Henry Hazlitt entitled "No Taxes to Pay"; also an article from the Chicago American written by Mr. R. P. Vanderpoel, its financial editor.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

Senate Joint Resolution 224

Joint Resolution proposing an amendment to the Constitution of the United States relative to taxes on certain incomes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of such State."

NO TAXES TO PAY

(By Henry Hazlitt, in Scribner's for January, 1933)

A curious situation arises in the tax exemption of Government property itself. It is, of course, perfectly justifiable for a city not to tax its own property. The only possible objection to this type of exemption is an indirect one. It occurs when a city is operating, say, a subway or an electric-light plant in competition with a private plant and figures its costs without making any allowance for taxation. This, of course, is merely a bookkeeping difficulty and can be easily straightened out. But a more complex situation occurs when there is a great deal of tax-exempt Federal or State property in a city. This may sometimes bring added business to the city and—if part of it is a handsome post office, for example—may sometimes be a cause for local pride. But a large amount of Federal or State property in a city may bring no equivalent local benefit—it may even, if it happens, let us say, to consist of a Federal or State prison, damage business and property values. As a result the taxpayers of that city will, in effect, be contributing more than their proportionate share to the upkeep of the Federal or State Government.

Perhaps the chief reason that this whole matter of local tax exemption has hitherto attracted so little real attention is that it has been until recently comparatively small. Up to 1920, for example, the tax-exempt real estate throughout the United States was not more than 10 per cent of the total. But recently the seriousness of the problem has been growing, and one of the most striking examples of that seriousness can be found in the situation in New York City. In 1930 the value of New York City real estate was assessed at a total of just under \$20,000,000,000, and of this more than \$5,000,000,000 was tax exempt. Of this tax-exempt property \$3,345,000,000 was Government owned, \$913,000,000 represented new buildings put up under the postwar State housing law, and of the \$860,000,000 of other privately owned tax-exempt

property remaining \$419,000,000 was religious property and \$37,000,000 was the property of fraternal and benevolent organizations. The expiration since 1930 of the exemption of new buildings under the State housing law has still not greatly improved matters. Though the city's total tentative 1933 assessments have been reduced to \$18,225,000,000, there has been an increase of \$313,000,000 in exempt Government-owned property and of \$102,000,000 in exempt privately owned property apart from new housing, with the result that the amount of tax-exempt property in New York City is still more than 25 per cent of the total. In the State of New York as a whole \$6,700,000,000 in real estate is tax exempt.

It is important to stress the extent of this local tax exemption, for local taxes—practically all of which are levied on real estate—are equal to State and Federal taxes combined. But the tax exemptions under Federal laws are even more remarkable in some respects than the local exemptions. The Federal Government, for example, begins by exempting from income taxation the same type of institutions that most of the States exempt from property taxation. Thus the Federal revenue law and the laws of many of the States exempt from the income tax labor and agricultural organizations; fraternal orders operating under the lodge system; corporations; funds or foundations organized for "religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals"; farmers' cooperatives; and many other types of organization. We also exempt from taxation that part of an individual's income—provided it does not exceed 15 per cent of the total—that he gives to various religious and charitable organizations. This becomes, of course, a powerful fund-raising argument on the part of these organizations. An individual in the highest income brackets is called upon to pay up to 63 per cent of his income in Federal taxes and, perhaps, an additional amount in State taxes. In New York State, for instance, this additional tax amounts to 6 per cent, which means that the individual in the highest brackets pays up to 69 per cent of his income in taxes. The various charitable organizations, in appealing for funds, can, therefore, point out to this individual that for every \$100 he gives them he is really only giving away a net amount—to him—of \$31, because taxes would take the other \$69 in any case.

Among exemptions in the Federal field, however, most attention has been directed to the tax-exempt bond. Prof. E. M. Patterson, in a recent article in the New Republic, has sought to show that the effect of the tax-exempt bond as a source of tax evasion has been greatly exaggerated. On December 31, 1930, the total outstanding issues of Federal, State, and local bonds, including those wholly exempt from the normal income tax and surtax of the Federal Government and those exempt only from a normal income tax, were \$32,803,000,000. Professor Patterson proceeds to show that these bonds have largely gravitated into the hands of insurance, surety and bonding corporations, banks and trust companies, business corporations, and charitable institutions rather than into the hands of wealthy individuals. The Federal Trade Commission in 1924 estimated that at the end of 1922 there were \$31,921,000,000 wholly and partially tax-exempt securities outstanding, of which only \$4,450,000,000 were owned by individuals whose taxable incomes exceeded \$10,000. From 1922 to 1929, inclusive, estates subject to the Federal estate tax showed a very low proportion of holdings of tax-exempt securities. The highest average percentage shown in any year was 8.68 per cent in 1925.

These figures are enough to show that up to the present the tax-exempt bond has not become a real menace to our income tax system. They do not prove, however, that it will not become a real menace in the future, and they do not prove that it is not vicious in principle. Why, we may ask, have not wealthy individuals bought tax-exempt bonds in the quantities we might expect them to? The answer is not a simple one. The purchase of Federal, State, and municipal bonds is virtually compulsory with many types of institutions, and these absorb them almost automatically. Other institutions invest in such bonds merely because they are moved by conservatism, and State and Federal bonds seem to them the safest of all securities. The wealthy American, on the other hand, usually derives his wealth from some particular line of business or industry with which he and his family have been associated for years. As he draws more profits from that industry, he tends to put them back into it in order to draw out still more profits. His ownership is either direct or represented largely in common stock. His rate of return on his investment, even on his new investment, was until recently very large. He is connected with his business sentimentally. And his temperament and environment make him nearly always an inveterate gambler.

That is why he had not, up to 1929, put his money largely into tax-exempt securities. But will this situation continue indefinitely? The period of high tax-exempt bond issues and of high income taxes correspond, up to 1929, with the "new era," the era of huge and often fantastic industrial profits; the era in which common stocks, in the course of a decade, could increase 1,000 per cent or more in their market values. Certainly there seemed little incentive, while this was going on, to put one's money in tax-exempt bonds, the return on which was comparatively very low and the capital value of which did not increase at all. But what may happen now that the situation has reversed itself—now that the rich have seen their industrial profits turn to heavy deficits, now that they have seen their common stocks melt away on the average to one-fifth of their value in 1929, while the only securities that have held their value have been United States Government bonds, and while income-tax rates have returned to their war-time levels? Can all this occur without profoundly altering the mental habits of the wealthy Americans? There are

probably very few among them now who do not wish that they had had their money in Government bonds—for the sake of safety of principal alone. And their regret would deepen if many of them made a cold calculation—which the "economic man" does not always do—of the real return that a tax-exempt bond would have yielded them. Under present Federal income-tax rates individuals with incomes over \$100,000 receive from a 4 per cent tax-exempt security the equivalent of a return of 9 to 11 per cent on a taxable security, depending on the size of their incomes; on a 5 per cent exempt security they receive the equivalent of 11 to 13½ per cent.

Whatever may be said of the comparative harmlessness of the tax-exempt bond up to the present, it remains vicious in principle and always a potential threat to our tax structure. Even if it were true at present that the Government saved more in interest charges by making its bonds tax exempt than it lost in taxes by the same act, the tax-exempt bond could still be defended only from the narrow standpoint of government fiscal policy, and not from the broader standpoint of general social policy. For the tax-exempt bond offers immunity precisely to those "unearned incomes" that ought to pay, and in Great Britain do pay, a higher rate than "earned" incomes. And even from the narrow fiscal standpoint the case of the tax-exempt bond is far from established. For almost no individual or institution buys a tax-exempt bond for its tax-exempt feature alone, unless it believes that it will thereby save in taxes more than it loses by accepting a lower interest because of the tax-exemption. And if its calculations prove to be correct, then the Government is losing on net balance exactly what the holders of the bonds are gaining on net balance. (Actually this total governmental loss is being shifted from the State and local governments to the Federal Government.)

We come finally to the most widespread example of tax exemption—the Federal and State income taxes on individuals. In 1930 the number of persons paying Federal income tax was 2,000,000, or hardly more than 1½ per cent of the whole population. Even under the severe new law a married man with two dependents pays nothing on a net income of \$3,300, and less than 1 per cent on a net income of \$4,000. Not until his income goes above \$25,000 does he pay as much as 10 per cent of it in income tax; from that point on, of course, it is scaled up rapidly until it approaches its maximum, Federally, of 63 per cent. Not more than 60,000 persons pay more than 10 per cent of their incomes in Federal taxes, and this small group—1 person in every 2,000—pays four-fifths of the income tax. An even smaller group, made up of those with \$50,000 net income or over, numbering about 30,000—or only 1 in every 4,000 of our population—pays nearly three-quarters of our income tax. This hardly seems to bear out the frequent contention that our capitalist Government is controlled solely in the interests of the wealthy.

In Great Britain, by contrast, 5 per cent of the population pays income tax; a married man with the equivalent of \$5,000 net income pays more than six times what he would have to pay in this country. Possibly a fairer comparison of the proportion of the population paying income tax is not the actual number of income-tax payers but the number of persons income taxes are paid for. Assuming that the average income-tax payer in the United States pays for three persons, the percentage of the population directly interested in income-tax rates may rise to as high as 5 per cent. But a tax system under which 95 per cent of the population does not pay the Federal tax on which chief attention is concentrated is not one that encourages public pressure for Federal economy.

I do not intend, because of these figures, to support the paradoxical thesis that in American taxation it is the poor who exploit the rich. It has been calculated for one thing that the highest 5 per cent of income receivers in the United States receive one-fourth of the entire national income; and, wholly aside from broader considerations, it would not pay the Government purely from a fiscal and administrative standpoint to extend the income-tax "base" very greatly. Moreover, if most politicians publicly support the poor against the rich in drawing up income-tax rates, because they know where their votes come from, privately their actions may favor the rich against the poor, because they know where their campaign contributions come from. This type of favoritism may make itself felt in various ways. For example, in the cities, even if the rich individual or corporation can not manage to secure a specially low assessment in return either for a direct bribe or a campaign donation or because he has a friend in politics, he can at least afford to hire lawyers and experts to contest his tax assessment and to get it reduced.

Tax favoritism is, of course, one of the means by which the great city political machines maintain themselves in power. In Chicago the assessments are notoriously inequitable. The New York World-Telegram published on October 10 last the results of a survey of 193 pieces of property in New York City which had been sold, appraised, or mortgaged since July 1. It found that 106 pieces of property sold or appraised for a total of \$15,726,471 had been assessed at \$20,836,000; while, on the other hand, 83 properties with a market value according to actual sales or appraisals of at least \$12,995,049 were assessed at only \$9,159,700. It found, as might be expected, that extreme cases of overassessment by the city were largely among small properties. Assuming that its samples were representative, it concluded that owners of 43,000 Manhattan properties will pay \$40,000,000 taxes next year that should be met by owners of 34,000 underassessed properties.

These figures, it is true, take us out of the field of exemption and favoritism intended and created by the law itself. But they are enough to indicate that the unfavored taxpayer must help to

support, in addition to those whom the law intentionally excuses, those who escape their just burden through lax administration or downright corruption. During the new era we did not worry very much about what such luxuries were costing us. We were rich; what did we care about a few hangers-on? But now that our wealth and income have shrunk appallingly, while taxes remain either where they were or higher, it may begin to occur to us that the farmers, for example, which we tax very heavily, are, to put it no more strongly, at least necessary to the welfare of the United States. It may even occur to us that every time we exempt somebody from taxation we are putting an added burden on everybody else. It is time to take a look at the privileged. It is time to examine the army of the tax parasites. It is time to ask a few of these strong men, dressed up as dear old ladies, to carry their own bundles.

By R. P. Vanderpool, financial editor

Senator HENRY F. ASHURST, of Arizona, has proposed a constitutional amendment prohibiting the United States or any State or local government from issuing any more tax-exempt securities.

Governmental procedure in the United States is so cumbersome that it seems unlikely that this proposal will be enacted into law, at least in the next few years. Yet, in our opinion, it is so basically sound that we believe it should be given enthusiastic support.

The manner in which great wealth has been hoarded in tax-exempt securities is one of the evils of this generation, coming into bold relief during the current depression.

DEBTS AND CREDITS

We hear much of the huge debts of our Federal, State, and municipal governments; we hear little of the other side—that of the owners of these securities, who furnish the credit to these governments in an effort to avoid paying taxes on their incomes.

They did not fully understand at the time they granted the credit that part of the taxes would be shifted to their backs. Despite their success in evading direct taxation through purchase of tax-exempt securities, when they did begin to feel the pinch it was this same class that led the hue and cry for governmental retrenchment and lower taxes.

A POOR ARGUMENT

The argument for tax-exempt securities has been that they enabled governments to finance themselves more cheaply. But it has been a false economy. The Government has failed to realize the true cost through reduced income-tax revenues of the money it has borrowed.

This has tended to encourage Government extravagance. At the same time it has enabled certain individuals and corporations—the very ones who should be bearing a heavy tax burden in these critical times—to escape all direct payment and, by crawling into their shells, as so many of them have done, to a large extent indirect payment.

THEY DO PAY

It may be said in passing that they do pay a penalty. This comes through the prevailing economic situation, which has reduced values of practically all material things. Moreover, unless a turn comes in the fairly near future, it is quite likely to cause a collapse in Government credit and a coincident decline in the value of tax-exempt securities.

Something unperceived by those with a few or no resources is that while they may be suffering at the moment because of the general economic conditions, their future prospects are being much improved by what is transpiring.

AUTOMATIC CONFISCATION

We mean by this that an incident of the economic phenomena now taking place is that there is automatic confiscation of wealth through deflation. This wealth, in the form of values, is being taken away from individuals and becomes available for redistribution in the expansion period that will succeed the contraction years through which we have been passing.

This line of reasoning is more easily followed if the contraction and subsequent expansion are carried to extremes. For example, if values for material goods all but disappeared, the inequalities of wealth would be largely leveled and in the subsequent period of recreation of values opportunities would be much greater than in periods of stability.

OPPORTUNITIES

It is in periods of opportunities that those with the greatest initiative and greatest ability are successful.

Of course, it is also true that in such periods the unscrupulous, the manipulators, and the exploiters also operate. It is the task of government to curb these. The efficacy of government can be largely judged by its success in doing so.

The failure of government in this respect during recent years is being made conspicuous by the exposures of the last few years, particularly 1932.

Mr. BROOKHART. Mr. President, before the Senator takes his seat, may I ask him a question?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Iowa?

Mr. ASHURST. I yield.

Mr. BROOKHART. The school districts in the States and the cities and towns, as well as the States themselves,

all have the right under the Constitution to issue these tax-exempt bonds; and, of course, the Congress can not prohibit or modify or control that in any way. Does the Senator think they get at present a sufficiently lower interest rate to warrant the tax-exempt feature?

Mr. ASHURST. I think that hereafter, if we continue to issue tax-exempt securities, there might be a lower rate of interest by reason of the tax-exempt feature, but I do not believe that that has been the case heretofore. I am not at all convinced, after a study of some time under the eye of experts, that securities—Federal, State, Government, or county—have until lately been sold as a direct immediate consequence of their tax-exempt feature. I think the tax-exempt feature may have a tendency in the future to make such securities salable, but I do not believe that heretofore the fact that they were tax exempt promoted the activity of the market very much in respect to such bonds. Of course, there may have been isolated instances where tax-exempt features did promote a sale thereof, but if the bonds were good the tax-exempt feature cut but small figure.

Mr. BROOKHART. When the Treasury offers a bond issue and gets a subscription of fifteen or sixteen times the amount of the issue, does not that indicate that the interest rate is very attractive, and could be reduced?

Mr. ASHURST. That has happened lately, indeed.

Quite true during the war the issues of bonds were oversubscribed, and not because of their tax-exempt feature; I admit that in the future—that is, from now on—the tax-exempt feature will be a factor in selling bonds.

EMPLOYMENT OF AMERICAN CITIZENS ON SLEEPING CARS, ETC.

Mr. DILL. Mr. President, I desire to take just a moment to discuss a bill I wish to introduce.

From time to time, in riding on the trains of the country, I have been impressed with the fact that colored men are the most satisfactory kind of porters we have ever had on the railroads. I am impressed now with the fact that some of the railroads, particularly in the country west of Chicago and also on some of the trains here in the East, are supplanting the colored men by the use of Japanese and Filipinos. These Japanese and Filipinos work for such exceedingly low wages that it is impossible for the colored man to live on such a wage; and the low wages of porters have already forced their standard of living below what it should be.

I am told that the railroads have attempted to use 2 Filipinos or 2 Japanese on a Pullman car to handle the work regularly done by 1 colored porter; that they can hire two of them more cheaply than the wages, low as they are, that are now paid to the one colored porter; but that they are unable to get Japanese or Filipinos who can do the work satisfactorily. They are not big enough nor strong enough physically to do that work.

In light of the fact that the colored men not only are highly acceptable as porters to the traveling public but that the colored porters look upon that work as a kind of work which they can properly do, it seems to me that we should by law protect them against the menace of the low-wage employee in the form of the Japanese and the Filipino. All we need to do is to require the railroads to employ American citizens as porters on our trains.

I therefore have prepared a bill which I desire, if I may have unanimous consent, to introduce at this time and have printed in the RECORD at the close of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 5604) to require the employment of American citizens on observation cars, club cars, and sleeping cars used by railroads in interstate commerce was read the first time by its title, the second time at length, and referred to the Committee on Interstate Commerce, as follows:

Be it enacted, etc., That all employees of observation cars, club cars, and sleeping cars used in interstate commerce by any railroad company within the United States shall be American citizens. Violation of this act shall be punishable by a fine of not less than \$1,000 or imprisonment of officials guilty of such violation for not less than 90 days, or both, for each offense, and each day of such violation shall constitute a separate offense.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

Mr. KING. Mr. President, I appreciate the desire of Senators to dispose of the appropriation bills pending in Congress before this session ends. There are many measures before us that require consideration before the 4th of March. The appropriation bill which is now under consideration carries large amounts for various governmental activities. One of the important provisions of the bill deals with the Indian wards of the Government and with the policies and activities of the Indian Bureau. Notwithstanding the importance of this and other appropriation bills I feel that it is my duty to discuss at some length the provisions of the measure before us relating to the Bureau of Indian Affairs.

For many years I have been criticizing the policy of the Government in dealing with the Indians, and have attempted to trace historically the dealings of the Government with the Indian tribes that have inhabited this Republic. I have examined into most if not all of the treaties negotiated between the United States and the Indian tribes and the hundreds of statutes which have been enacted by Congress relating to the Indians. I have attempted to ascertain what disposition has been made of the boundless territory which the Indians once possessed and what has become of the hundreds of millions of dollars received by the Indians for the lands which have passed from their ownership and possession, and from royalties, revenues, and receipts derived from such lands. I have also given no little study to the work of the Indian Bureau for many decades, with a view of determining whether as the instrument of the National Government, it has been a faithful trustee, or has dissipated Indian funds, and failed in the discharge of duties imposed by treaties and by laws.

THE GOVERNMENT A FAITHLESS GUARDIAN

Mr. President, I have been compelled to the conclusion, as a result of my researches and investigations, that our Government has been a faithless guardian of its wards and that the agencies which it has set up to deal with the Indians have failed to perform the duties imposed upon them by law. I regret that Congress has not evinced that interest in the Indians and in their protection that treaty obligations required. As I have stated, the Indians are the wards of the Government and are therefore entitled to the highest degree of consideration. There are not only legal and binding obligations resting upon the Government from which it may not honorably escape, but there are also moral obligations which are of commanding force. The duties of a trustee to his cestui que trust are clearly recognized by law, and the courts, and when their jurisdiction is invoked they are quick to respond to the demands of those whose lives and property are under the control and jurisdiction of trustees. A trustee who squanders the inheritance of his ward or who is indifferent to the latter's welfare, merits the condemnation of all who desire justice, and subjects himself to the corrective power of the courts.

DRASTIC REORGANIZATION NEEDED

Mr. President, as a result of my study of the Indian question and the treatment accorded the Indians and the policy now being followed by the Government in dealing with them, I have reached a definite conclusion that there must be a radical change in the attitude of the Government toward the Indians and a complete reorganization of the Indian Bureau. Many laws relating to the Indians must be repealed; others must be modified; and sound, sane, and rational and humane policies must be adopted for the purpose of protecting and preserving the Indians and promoting their welfare. It is remarkable that the National Government, which has been so responsive to the cries of distress and to humanitarian appeals, should be so deaf and callous to the cries of the Indians and to the moral and legal responsibilities resting upon the National Government as their trustee and guardian.

From the days of the Pilgrim Fathers to the present time, the Indians seem to have been regarded by many as objects of legitimate prey; they have been treated as trespassers and outlaws, and unwelcome and illegal occupants of territory which the white man desired. Treaties have been imposed upon them by chicanery and fraud and often as the result of military force; and many treaties that have been made have been shamelessly violated, and measures ostensibly designed for the protection of the Indians have been converted into weapons of destruction.

Mr. President, the history of the Indians during the past hundred years is a tragic one, and the record of the Government and Government agencies toward the Indians is blotted and blurred and calls for the condemnation of just men everywhere. Many investigations have been made by committees and by disinterested groups of persons who desired to learn the facts concerning the Indians. Their findings and conclusions warrant a verdict that the Indians have been robbed, plundered, and despoiled of the greater part of their inheritance and subjected to cruel and inhuman treatment.

Mr. President, the criticisms which have been made from time to time by persons interested in the Indians and those who desired their just treatment have been disregarded by the Government and the Indian Bureau, and the latter has continued in its old archaic way with a contemptuous disregard of moral and legal obligations. It is quite likely that nothing can be said now that will result in changing the policies of the bureau as at present constituted, or will bring about economies and imperatively needed reforms. The Indian Bureau is a petrified, crystallized machine, indifferent to criticism, hostile to reforms, ambitious for authority, demanding increased appropriations and a rapidly expanding personnel.

As I shall show before concluding my remarks, the expenses of the bureau have been greatly augmented during the past few years, the number of employees have been multiplied, and more than one-half of the stupendous sum taken from the Indians and from the Treasury of the United States annually has been consumed by the employees of the bureau.

THE LONG STRUGGLE FOR REFORM

Mr. President, for a number of years I have been attempting to secure reforms and compel a reorganization of the bureau and to secure the adoption of plans that would protect the Indians and advance them along the pathway of civilization. I have been disappointed in the efforts made by others and myself to accomplish these results, but I can not help but believe that sooner or later the old bureaucratic methods will be thrown into discard; inefficient and callous employees will be separated from the service, and policies put into effect that will save the Indians and protect the residue of their property against the exploitations of the Government and the whites.

It was believed by many persons that under Mr. Hoover's administration important reforms would be introduced into the Indian Bureau, that waste and extravagance would be eliminated, economies introduced, and measures adopted looking to the material welfare of the Indians, and also to their moral, cultural, and spiritual development. But those who expected these results have been sorely disappointed. One looks in vain for improvement in the Indian Service during the past four years. I repeat, the same old policies are pursued, the same ruts are followed, and the same disappointing results obtained. The policy of the Indian Bureau is worse than *laissez faire*; it diminishes the Indians' resources and leaves them less fortified to meet the struggle for existence or to take a place in the industrial life of the communities in which they live. I shall show later in my remarks, that with the mounting demands of the Indian Bureau for appropriations and its attacks upon the diminishing resources of the Indians, a huge bureaucracy has been created which fails in its duty to the Indians and consumes more than 50 per cent of the enormous annual appropriations in meeting the salary requirements of the army of employees. A year ago I discussed the Indian situation and

made a number of suggestions which I believed would be of benefit to the Indians, and introduced a bill, which, if it had been enacted into law, would have made an important contribution to improving the Indian administration.

THE ECONOMY EFFORT BY CONGRESS DEFEATED

I believe that Congress has intended during the past few years to reduce the extravagant expenditures of the Indian Bureau, but the fact is that its expenses have doubled during the preceding seven fiscal years, and this enormous increase has been incurred largely in paying higher salaries and the compensation of an increased number of employees. These expenditures, exclusive of payments to the Indians from their own funds, in the fiscal year 1926 were \$13,991,470. But in 1932 the expenditures amounted to more than \$27,000,000 in addition to per capita disbursed by the bureau from tribal funds and from indefinite appropriations.

After a debate lasting several days, and in the face of uncompromising resistance on the part of the Indian Bureau, whose officials demanded even larger appropriations and denied that any reductions or economies were possible, some slight changes were made in a number of items of appropriation carried in the bill. These reductions approximated \$1,250,000. Before the bill was presented to the Senate I appeared before the Appropriations Committee of the Senate and presented conclusive evidence of the unjustifiable demands made by the Indian Bureau and the unwarranted appropriations appearing in the bill under consideration by the committee. The Secretary of the Interior made, but did not support, some recommendations for economies. The officials of the Indian Bureau, as I have indicated, were violent in their opposition to any suggested reforms or reductions in the bill under consideration. I pointed out to the committee, as well as to the Senate when the bill was reported to this body, that the Indian Bureau through every preceding year had, in addition to the appropriations carried in the general appropriation bills, spent money with a lavish hand from other sources, but which, of course, reduced the tribal funds and assets belonging to the Indians. In other words, not satisfied with the large appropriations specifically provided by Congress, the bureau dipped its hands into tribal funds and into invisible sources of supply, and used the amounts so obtained in bureau activities. At the time referred to, I analyzed in detail the record for the fiscal year 1929, which showed that Congress in the regular appropriation bill for that year appropriated \$16,466,000 for the Indian Service, and in addition \$1,781,122 had been specifically authorized in deficiency bills, thus making a total specifically appropriated by Congress of \$18,247,122. But the bureau had actually spent, in the fiscal year 1929, \$21,635,478, or \$3,388,356 in excess of the total of specific appropriations. Contained within this expenditure total of 1929 was \$1,734,247 in excess of all appropriations whatsoever, including the so-called indefinite and continuing appropriations. This part of the overexpenditure, \$1,734,247, had been simply lifted by the Indian Bureau out of tribal trust funds, with no appropriation either specific or indefinite by Congress. In addition, the bureau in 1929 had paid out in per capita payments \$10,952,626.

At the expense of repetition, in order that this fact may be driven home, I challenge attention to the fact that after the specific appropriations have been made by Congress, the Indian Bureau has uniformly, for years, created large deficits and has come back to Congress with demands that they be met. Unfortunately, these demands, too often without consideration, have been granted. As a matter of fact, in nearly every instance these deficits ought not to have been created and Congress ought to have refused to meet them. There is a Federal statute prohibiting deficits, and, as I recall, there is a penalty attached to officials who create the same. It would have a salutary effect if this statute were invoked and officials of the Government made to understand that they may not violate this law by engaging in activities beyond those authorized and incurring obligations beyond those for which appropriations are made.

As stated above, I also presented during the discussion a statement of the actual expenditures of the bureau for the

fiscal year 1929 as reported by the bureau to the House Appropriations Committee. These hearings for 1931 show expenditures totaling \$21,635,478, or \$3,888,356 in excess of the Treasury and tribal fund appropriations made in the regular and deficiency appropriation bills.

THE BUREAU'S INVISIBLE APPROPRIATIONS

I presented a tabulation at that time showing how the Indian Bureau obtained in excess of \$3,888,356, all of which had been expended largely for salaries and additional employees. A part of the bureau's total overdraft—\$1,654,100—had been obtained from the so-called indefinite and continuing appropriations, and I should add in passing that these reservoirs from which funds were taken do not appear either in the regular or in the deficiency bills and are, in effect, invisible appropriations. I condemn such a system which permits funds to be taken and expenditures made of the character in question. Neither Congress nor the public can know or control, under this system, the aggregate amount expended in the maintenance and operations of the Indian Bureau or where such a system prevails in any other Federal organization within which it is found. It is a vicious system and an unsound and dangerous policy and leads to extravagance and bureaucratic autocracy. I also demonstrated that the bureau had spent from the Indian tribal funds \$1,734,247 in excess even of the indefinite and continuing or invisible appropriations.

Mr. President, I ask that that tabulation which I presented last year may be printed in the RECORD. It illustrates the singular, adroit, and indefensible methods employed for the purpose of securing funds for the bureau in excess of those provided in the regular or deficiency appropriation bills.

The PRESIDING OFFICER (Mr. Fess in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fiscal year 1929	
Total appropriation in regular bill for 1929:	
From Treasury	\$14,024,009
From tribal funds	2,442,900
Total	\$16,466,909
Total deficiency appropriation for 1929:	
From Treasury	1,476,684
From tribal funds	304,438
Total	1,781,122
Total "indefinite appropriations," for purposes other than per capita payments, appropriated under continuing authorizations.	
	1,654,100
Grand total of appropriations for other than per capita payments	19,901,231
Actual expenditure (other than per capita payments) in 1929, as reported by the Indian Bureau in the House hearings for 1931	21,635,478
Expenditure in excess of total of special and indefinite appropriations	1,734,247
Total tribal funds appropriated (special and indefinite) for other than per capita payments	4,401,438
Total actual expenditure of tribal funds (other than per capita)	5,110,263
Tribal funds expenditure (other than per capita payments) in excess of all appropriations	708,825
Per capita payments estimated for 1929, in the Budget for 1929	17,681,000
Per capita payments actually made in 1929, as stated in the Budget for 1931	10,952,626
Per capita payments were less than estimated per capita payments in amount of	6,728,374
Summary: For purposes other than per capita payments the bureau spent \$1,734,247 more than the total of all appropriations. It spent from tribal funds \$708,823 more than all tribal fund appropriations.	
It paid in per capita payments to the Indians \$6,728,374 less than the Budget estimates of such payments.	
Tribal revenue fell below estimates during the year. Hence per capita payments were sharply reduced. But the amount spent for other than per capita payments was increased.	

Mr. KING. Mr. President, during the consideration of the appropriation bill a year ago I further stated that the Indian Bureau would not be restricted to appropriations made or adopt measures of economy, and that efforts of Congress to effect reductions would be in vain because of the indifference of the bureau to the attitude of Congress.

THE BUREAU NOW CIRCUMVENTING CONGRESS

I stated that the Indian Bureau would circumvent congressional measures either by obtaining increased appropriations through deficiency bills or by drawing upon Indian tribal funds outside of any appropriations authorized in the bill under consideration.

Mr. President, my predictions have been verified. Even before one-half of the fiscal year 1933 has run there will have been large expenditures or commitments outside of those authorized in the 1933 appropriation bills.

I dwell on the facts because they serve to demonstrate afresh the incorrigibility of the Indian Bureau and the futility of the efforts of Congress to curb Indian Service expenditures under the system of accounting, budgeting, and appropriation which has prevailed for many years.

During the time when the regular appropriation bill was under consideration, I am informed, some Indian Bureau officials freely stated that they expected to obtain corrections, as they saw them, of the Senate's "economy madness," through deficiency bills. And in fact they did obtain, in the deficiency bill for 1932, an increase of \$719,978. Many of the Indian Service items which were thus appropriated in the deficiency bill were of a character which previously had been considered and rejected by one or the other of the Houses of Congress.

However, the more striking fact in the situation does not relate to the well-known abuse of effecting pretended economies in the regular appropriation bill, to efface them a few weeks later by means of deficiency bills.

The Indian Bureau estimated and requested appropriations for a total expenditure in the fiscal year 1933 of \$24,709,619.

I refer to the report of the House subcommittee on the Department of Interior appropriation for the fiscal year 1933, page 24, which demonstrates the correctness of what I have just stated. The bureau received authority in regular and deficiency appropriations for a total expenditure of \$24,141,403, of which \$2,190,262 were to be taken from Indian tribal trust funds.

Mr. President, when our distinguished Vice President was chairman of the Committee on Indian Affairs of the House of Representatives, and later when he was a member of the Committee on Indian Affairs of the Senate, the appropriations for the Indian Bureau rarely exceeded six or seven million dollars and the number of Indian wards then under the control of the Government was larger than at the present time, but bureaucracy's growing appetite for power is never satiated, and even when helpless wards are under bureaucratic control they must suffer because of the ambitions of bureaucratic organizations for authority and increased salaries and appropriations. As evidence of the disregard of the bureau to the limitations in appropriation bills I invite attention to the fact that though the appropriation made by Congress for the fiscal year 1933 was \$24,141,403, yet before November of 1932 had come the bureau had either expended or obligated the stupendous sum of \$24,609,160. Congress had authorized as stated a total expenditure from tribal funds of \$2,190,262, but the bureau before October 1 of that year had spent or obligated \$2,658,019 from tribal funds. I should add that these figures which I am submitting are exclusive of per capita payments to the Indians from their own funds. I repeat, Mr. President, that before three months of the fiscal year 1933 had passed the bureau in actual expenditures or in obligations had overreached the congressional authorization in the amount of \$457,757, this amount being taken from the tribal trust funds. Not satisfied with the enormous amount appropriated by Congress, this voracious bureau proceeded to take from the tribal funds within three months after the appropriation bill had passed nearly half a million dollars.

THE BUREAU'S PAY ROLL IN 1933

Mr. President, I have referred to the increase in the number of bureau employees and the burden which this imposed upon the Government and upon tribal funds. In support of this statement I ask to submit a tabulation showing the

salaries for the fiscal year 1933, the total number of bureau employees, the total number of Indians, the bureau's pay roll on account of each Indian, and the ratio between bureau employees and Indians.

There being no objection, the table was ordered to be inserted in the RECORD, as follows:

Tabulation showing the total of Indian Bureau salaries for the fiscal year 1933, total number of bureau employees, total number of Indians, the bureau's pay roll on account of each Indian, and the ratio between bureau employees and Indians

Salaries of permanent employees.....	\$10,481,647
Less deductions on account of furloughs.....	865,448
Net salaries of permanent employees.....	9,616,199
Salaries and wages of irregular employees.....	1,249,003
Total net salaries and wages.....	10,865,202
Total of permanent employees.....	6,353
Total of irregular employees estimated on whole-time basis at \$1,000 per year.....	1,249
Total average number of employees.....	7,602
Total of Indians on reservations and at jurisdictions (report of Indian commissioner for 1932, p. 34).....	194,331
Indian Bureau pay roll on account of each Indian.....	\$56
Ratio of bureau employees to Indians.....	1 to 25

Mr. KING. This table shows the salaries of permanent employees were \$10,481,647. I might add, in passing, that that is double the appropriations for the entire bureau a few years ago, and I submit that the record will show that there are fewer Indians now and their condition is worse than at a time when the entire expenses of the bureau were approximately \$5,000,000 per annum.

With reference to the statement just made concerning permanent salaries, I should add that for the fiscal year 1933 there were deductions on account of furloughs as shown by the table, so that the net salaries of permanent employees were \$9,616,199. However, the salaries and wages of irregular employees totaled \$1,249,003, giving a total of \$10,865,202 as net salaries and wages. The number of permanent employees was 6,353. I was advised this morning by one of the members of the Committee on Indian Affairs that there is one Federal employee for every 23 Indians and one employee for every 6 children in the schools. The report of the Commissioner of Indian Affairs for the year 1932 (p. 34) states that there are only 194,331 Indians on the reservations and under Federal jurisdiction. It appears, Mr. President, that as the appropriations for the Indian Bureau increase the number of Indians decrease. I suppose we should be satisfied, because the decrease of the Indians is marked by a large increase in the number of Federal employees and thus furnishes jobs for white citizens. I emphasize the fact, Mr. President, that nearly 50 per cent of the enormous appropriations made for the Indian Bureau are devoured by this army of Federal employees.

Mr. President, I have here a list of new positions created in the Indian Bureau since June 30, 1929. As I am advised, it is not a complete list, nor does it include the new positions created in the Alaskan Indian service. The list, however, shows 915 new permanent positions, and the total salaries for the new employees amount to \$1,745,490 per annum. These new positions were created and these new appointments made, as I am advised, by and under the direction of the Commissioner of Indian Affairs and the Secretary of the Interior. These new appointments demonstrate the extravagance of the bureau and the apparent determination upon the part of those controlling it to build up a more powerful bureaucracy. I condemn the action of the Indian Bureau in adding to the salary list to be paid from tribal funds or out of the Treasury of the United States this enormous sum of \$1,745,490.

I should add that this list does not include the irregular employees, which are enormous, nor does it show salary increases.

Mr. President, I am in receipt of a letter from Commissioner Rhoads, of the Indian Bureau, dated January 18, 1933, in reply to an inquiry which I had made, in which he states that the total of salaries paid to permanent employees

of the Indian Bureau, outside of Alaska, in the fiscal year 1932, was \$9,963,109. The table which I have offered for the record shows that the gross total of such salaries in the present fiscal year, 1933, is \$10,481,647, an increase of \$920,390 over the fiscal year 1932.

Mr. President, the figures which I have submitted showing the expenses of the bureau and the number of employees and the salaries paid, furnish incontrovertible evidence that the Indian Bureau must be reformed. This demand for reformation is reinforced by an investigation of the condition of the Indians and their lack of progress and development and protection at the hands of the Indian Bureau and the Government. Senators will recall the prolonged discussions when the appropriation bill for 1933 was before this body, in which the unsatisfactory administration of the bureau has developed and its waste and extravagance demonstrated. I think Senators will believe from the apparent concessions made that the bureau would effectuate reforms, liberalize its policies, and effect important reorganizations. The facts which I have given, as well as others which, if time permitted, I should like to present, demonstrate that no economies have resulted and that no important changes in the plans and policies of the bureau have been brought about.

DECEPTIVE BUDGETING BY INDIAN BUREAU

Mr. President, I invite attention to the inaccurate and in effect the misleading reports of the Indian expenditures appearing in annual budgets. I have referred to the fiscal year 1932 and the appropriations carried in the bill for that year. The Director of the Budget, reporting in the Budget for 1934 on the bureau's "actual expenditures" from tribal funds in the year 1932, states the actual expenditures as \$3,056,046. (See Budget for 1934, pp. 344-5.) The question arises, What did the bureau actually expend from tribal funds in the fiscal year 1932? It expended, not the amount reported by the Budget Bureau, but \$3,748,689, as shown in the tabulation of Indian Bureau expenditures, printed in the House appropriation hearings for 1934, at page 496. The discrepancy therefore is \$682,643; and as in every year without exception, the over-expenditures are adverse to the Indian tribal funds.

I am informed that the bureau now explains the discrepancy for the year 1932 by claiming that its own tabulation of expenditures of Indian trust funds is in error through the improper inclusion of some payments for the operation and maintenance of irrigation projects on Indian reservations. The explanation, if accepted, does but reinforce the need for an overhauling of the bureau's system of accounting and of record for the uses of Indian and Government moneys.

Permit me to restate the facts: Congress, I think, made a serious effort to curtail the Indian Bureau's expenditures in the current fiscal year; but this effort was circumvented, first through a deficiency bill, and second through a draft by the bureau against tribal funds in the amount of \$457,757 in excess of the appropriated amount. So much the Budget reveals, and the facts apply only to the first quarter of the fiscal year. Already through the deficiency bill and overdrafts against tribal funds the bureau by October 1 last had brought its total expenditures to a level only \$200,459 below that total which it had requested of Congress at the beginning of the fiscal year and which Congress had endeavored to reduce by more than \$1,000,000. I do not wish to be understood as stating that the bureau's overdraft upon Indian tribal funds for the current fiscal year is no more than \$457,757. That is the amount which the Budget reveals. The experience of every preceding year indicates that the facts will greatly exceed the Budget indications. I have pointed out that for the fiscal year 1932 the Budget totals of tribal funds alleged in the Budget to have been spent in that year were less than the actual figure of \$719,978. Mr. President, that error is not a unique or sporadic one, but a repetition of errors of like character which it is believed are often made. I shall give additional facts regarding other fiscal years before I have finished.

BUREAU'S LARGE OVERDRAFTS OF PRIOR YEARS

In the three fiscal years 1926, 1927, and 1928 the Indian Bureau furnished Congress with a definite statement as to the amount of Indian tribal funds which it proposed to use for purposes other than per capita payments; the aggregate of the funds thus earmarked for proposed use by the bureau, and so reported to Congress, was \$4,359,000. In other words, notwithstanding the liberal largess and indeed unwarranted appropriations by Congress for bureau maintenance, the bureau in these three years notified Congress that it proposed to dip its hands into Indian tribal funds and to take therefrom \$4,359,000 for bureau maintenance. It must be obvious to Senators and the country that the course of the bureau if unchecked will within a few years exhaust all tribal funds, the aggregate of which was between six and seven hundred thousand dollars since 1887; and it seems certain that if the course of the bureau is unchecked within a short time, not only will the tribal funds be depleted but the allotted lands will have passed into the hands of the whites; and the Indians, the wards of the Government, wards who possessed lands and property worth billions, will be houseless, homeless, and propertyless. Their vast patrimony will have been squandered and they will have no means of support. This tragic picture does not reflect credit upon the Government in dealing with its helpless wards. But the facts proved to be far more extreme than the bureau's announcements to Congress had been. The reports of the Comptroller General are available for the three fiscal years 1926, 1927, and 1928, and they show that the Indian Bureau spent for its own maintenance \$12,803,449 instead of the \$4,359,000 which the bureau had reported to Congress that it was going to spend. That is to say, during these three years the bureau misled Congress and expended from Indian tribal funds \$8,444,349 in excess of its estimates as made to Congress, or an average of \$2,814,783 in each of the three years.

Mr. President, it would be superfluous to dwell at greater length upon these figures and facts which condemn the Indian Bureau, if they do not condemn Congress and the Government itself. It seems to me that these facts furnish a grave indictment against the administration and against our system of dealing with the Indians.

INDIAN BUREAU SALARIES AND INDIAN TRUST FUNDS

Mr. President, before concluding my remarks I shall show that the Indian Bureau has dissipated Indian tribal funds in the amount of hundreds of millions of dollars in the last 45 years; that it has spent on its own maintenance in excess of \$110,000,000, that is, in addition to the large appropriations made as gratuities from the Treasury of the United States; and that in the fiscal year 1932 it used for its own maintenance 76 per cent of the total tribal income of all Indians of the United States. I emphasize this fact, that notwithstanding the large appropriations made by Congress for bureau maintenance, the bureau consumed 76 per cent of all the tribal income for that year. In the case of 99 of the 103 tribes possessing tribal funds or incomes, the bureau in 1932 spent for its permanent salaries 87 per cent of the total income of these 99 tribes, and for all of its uses, in the case of these 99 tribes, the bureau drew from the aggregate tribal funds an amount more than twice as great as the aggregate tribal income of that year. The aggregate tribal income was \$916,956; the tribal funds spent for the bureau's permanent pay roll totaled \$802,521; an additional \$384,055 was taken for the bureau's so-called "irregular" pay roll; and the total bureau draft against the residual tribal funds was \$1,871,717. The overdraft against the tribal income was \$954,761, or 104 per cent. No per capita payments to Indians are included in these totals. The residual funds of these 99 tribes had been reduced to \$5,236,944. Some of the tribes, with their funds wholly exhausted, had actually been placed in debt to the Government for Indian Bureau salary expenditures. The process pointed to early and complete ruin for the tribes.

At the present time, however, I am chiefly concerned with again reminding the Senate that it is pursuing a phantom

when it seeks economy at the hands of the Indian Bureau, under existing policies and the system of accounting, budgeting appropriation, and financial control.

I sincerely hope that one of Mr. Roosevelt's first administrative acts will be to select as director of the Indian Bureau a person who has some knowledge of the mistakes and follies and abuses of the bureau and who possesses ability and courage to deal with an archaic and unjust and decrepit system for the control of the Indians and their property. Reform is imperatively needed in the Indian Bureau. The whole system under which it operates should be changed, the dead timber thrown out, and a complete reorganization from top to bottom put into effect. Only by this heroic course can the Indians be saved, their property protected and preserved, and the Indians put on the pathway of advancement materially, morally, and educationally.

So long as tribal funds exist, and so long as there are tribal incomes derived from the sale of lands, timber, and natural resources, so long as Congress shall desist from changing the Indian system, the Indian Bureau will continue to spend what it wants to spend, with practically no reference to what Congress directs that it shall or shall not spend. The bureau will continue to ignore the limitations which Congress writes into the yearly appropriation acts. It will continue to use Indian capital as a means of financing its own activities, drawing upon authorizations, real or fictitious, which do not appear in the appropriation bills, and achieving totals of expenditure largely in excess of the authorized totals.

Mr. President, as a result of the unsuccessful effort of last year to restore the statutory requirement of an annual accounting for tribal funds, the Indian Bureau this year has placed in the appropriation hearings an imperfect report on the tribal funds as of the fiscal year 1932. I have practically completed an analysis of this report in relation to the Budget, and at some date during the present session of Congress I shall offer these data for the RECORD.

THE NEEDED ACCOUNTING AND BUDGETING REFORMS

Mr. President, on April 7 last I introduced a bill whose fundamental object was to bring Indian Service expenditures genuinely within the control of Congress. All future expenditures in Indian Service were required to be specifically appropriated.

Under the system of accounting and bookkeeping employed by the bureau it is impossible to determine from what particular or specific fund appropriations are taken. One of the members of the Committee on Indian Affairs of the Senate stated to me that in attempting to discover from what fund or funds a certain appropriation relating to an agency emanated or was drawn, it was learned that there were 60 or 70 funds or parts of funds or sources of supply from which had been drawn various amounts, the aggregate of which was a large amount. It is obvious that under such an administrative or accounting system, extravagance, waste, and inefficiency inevitably result.

The bill which I introduced likewise directed that a functionalized accounting system be installed, to show the past and intended uses of Indian Service money at Washington and in the several reservations or jurisdictions, by functions. The General Accounting Office was directed by the bill to proceed with the installation of the accounting system.

The bill likewise provided for an annual accounting by the Indian Bureau, to Congress, of the uses made of Indian tribal funds. This accounting had been mandatory until the calendar year 1928, in which year the statute directing the making of an annual accounting had been repealed through the insertion, in an omnibus bill, of language excusing the Indian Office from making its annual report.

The bill was intended as a first step and, in fact, a condition precedent, to the enforcement by Congress of economy upon the Indian Bureau. The bill was resisted by Commissioner Rhoads and Secretary Wilbur, first through a delay in the making of the requisite Executive report on bills. Finally, they made their report and they condemned

each and every clause of the bill which I had introduced (S. 4338). They made no proposal of alternative reforms in the system of accounting, budgeting, or appropriations.

THE TARDY CONVERSION OF THE BUREAU

Subsequently, this important matter was taken under advisement by the Senate Indian Investigation Committee and that committee, on the 10th of last month, made a report to the Senate, stating with clearness and fullness the imperative nature of the reform which I attempted to initiate last year. The investigation committee recommended in its report a substitute text for the Indian appropriation bill as a whole, and incorporated, in the last seven paragraphs of the proposed substitute text, the substance of the bill which I had introduced. I am now advised that at this very late date, the Interior Department and Indian Bureau officials are prepared to accept the changes.

This reported willingness of the bureau to accept this needed reform is a hopeful sign, but the letter and the spirit of the plan should be put into operation at once in order to secure for the next fiscal year the benefits that will flow therefrom. I regret, however, that the bill before us indicates that the Appropriations Committee has not accepted the measure offered by the chairman of the Committee on Indian Affairs.

THE SENATE COMMITTEE'S REPORT ON INDIAN APPROPRIATIONS

Mr. President, because of the importance of this matter and the comprehensive manner in which the investigation committee has dealt with it, I ask permission to have inserted in the RECORD certain paragraphs from the report of the Senate Investigation Committee made by the committee to the Senate on January 10 last, dealing with the need for a changed system of accounting, budgeting, and appropriation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter is as follows:

The body of this report consists of a proposed substitute bill, which could be enacted as a substitute for the subject matter of the pending appropriation bill for the Interior Department (H. R. 13710, submitted to the House of Representatives December 15, 1932), beginning at page 9, line 24, to and including page 55, line 18. In elucidation of this proposed substitute bill, the subcommittee briefly explains as follows:

The substitute measure, to the beginning of the seventh from its last paragraph, consists of the appropriations bill for the Indian Service, as reported to the House of Representatives by its Appropriation Committee December 15, 1932, but with the numerous general-fund appropriations aggregated into one lump-sum appropriation from the Treasury and appropriation of the specifically appropriated tribal funds, including Indian moneys, proceeds of labor. The various indefinite appropriations, not included in the annual appropriation bill, are left unchanged. All of the substantive provisions of the House bill are preserved through a series of limitations upon the use of the lump sums.

The concluding seven paragraphs of the proposed substitute draft contain new subject matter, here summarized, and more fully discussed in the course of the present report:

- (1) The Secretary of the Interior is granted a 10 per cent leeway, with respect to all of the limitations contained in the proposed bill. In cases of extraordinary emergency, he may exceed this 10 per cent leeway.
- (2) All expenditures of the Indian Service, including those authorized by indefinite appropriations (which total \$3,304,122 in the current estimates) are brought within the new accounting and reporting requirements of the substitute draft.
- (3) All expenditures of the Indian Service are directed to be segregated by functions, within the District of Columbia and within each several jurisdiction or place of the Indian Service; and under such changed functional segregation, it is directed that tribal funds be reported separately from other appropriations.
- (4) There is established a requirement of annually reporting the amount, income, and uses of the tribal funds of the several tribes.
- (5) There is established an obligation on the Indian Service to render accounts, upon request of the individual Indian or the tribe, of trust moneys, belonging to such individual or tribe, as are held under the trusteeship of the bureau.
- (6) The General Accounting Office is directed to transmit to Congress an annual report of the audited expenditures of the Bureau of Indian Affairs.

The subcommittee has at various times recommended reorganization of the Indian Service and economies in the various branches of the service. The cost of the Indian Service (exclusive of per capita payments to Indians but including approximately a million dollars transferred to the Indian Service on account of Alaska) increased from \$13,991,470 for the fiscal year

1926 to \$27,055,696 in the fiscal year 1932, or a more than 100 per cent increase in 6 years. Undoubtedly much of this increase was justified by increases of education, medical, and social services in these years, but the Government is now facing the necessity of curtailment in general. During this same period, due to the rapid shrinkage of Indian tribal income, the expenditure of Indian trust money for the maintenance of the Indian Bureau consumed a rapidly increasing proportion of the whole tribal income, until the percentage of the total tribal income used by the Indian Bureau in the year 1932 reached a total of 93.3 per cent.

Beginning with the appropriation act for the current fiscal year, Congress somewhat reduced the appropriations for Indian Service, although against the energetic opposition of the Indian Bureau, but the total of appropriations in the pending bill for 1934, plus indefinite appropriations, is \$22,465,704, or \$8,474,234 in excess of the total of actual expenditure in 1926. This 60.6 per cent increase does not include future deficiency appropriations.

Under the existing system of accounting and of Budget estimates Congress is largely helpless in the matter of enforcing intelligent, discriminating economies. A description of the method by which appropriation bills are drafted will serve to make the situation evident.

The appropriation bills for the Indian Service are derived from, and rest upon, the Budget estimates submitted by the Director of the Budget. These estimates are finally determined by the Budget Bureau, usually after much conversation, and embody precedents established by a very large number of appropriations made in prior years.

The estimates are supplemented before the Appropriations Committees of Congress by verbal testimony of the Interior Department and Indian Bureau officials.

The appropriation bill of each year, as introduced and enacted, has carried into effect the Budget estimates with their petrification of anterior appropriations. The pending appropriation bill, as passed by the House, contains 175 separate appropriations, which in turn are broken into subappropriations and limitations to the number of more than 400. The pending first deficiency bill (H. R. 13975) reported to the House of Representatives December 30, and drawn on the same plan as the regular Interior appropriation bill, carries special appropriations of amounts as low as \$2.71 for purchase and transportation of Indian supplies, \$4.26 (reimbursable) for irrigation, \$7.37 for industry among Indians, and other like appropriations.

As stated, this large number of appropriations, subappropriations, and limitations represents the accretion of precedents established by appropriation acts through many years gone by—precedents whose justification is nothing except the fact that they were once enacted.

Inasmuch as the Budget estimates are not functionalized and are not presented by jurisdictions, tribes, or places of Indian Service, it is impossible for Congress to obtain from these estimates a true picture of the facts of past expenditures or the intended uses of the sought-for appropriations. When the numerous appropriations in the bill are studied, either in sequence or in their totality, it is found that they do not give an intelligible picture of the work to be performed or of the distribution of funds to functions or places; there is much overlapping; appropriations for identical types of use and even identical functions are scattered amid different parts of the bill; and, finally, when all of the 175 appropriations are totaled they are found to be substantially less than the amount of money which the Indian Bureau actually intends to spend and does spend. With respect to this last item, and as an example merely, the Indian Bureau spent in the fiscal year 1929, over and above all regular and deficiency appropriations, including indefinite and continuing appropriations, \$1,734,247 of trust funds, and in addition, from indefinite appropriations not contained in the appropriation bill, it expended \$1,654,100, a total in excess of the regular and deficiency appropriation acts of \$3,388,347, this excess being taken from tribal funds. (CONGRESSIONAL RECORD, May 12, 1932, p. 10416.)

To the above details must be added the practice, of long standing, of reappropriating in the annual supply bills unexpended balances.

The total effect is to cause the appropriation bill to be almost hopelessly confusing. Even if the Budget estimates represented a genuine effort to forecast the expenditures in their detail, the above unsatisfactory situation would exist unaltered, because, as stated above, the Budget estimates rest upon a system of accounting which is neither functional nor geographical, whereas it should be both.

Until a changed and simplified accounting, Budget estimate system, and appropriation bill can be achieved it is the subcommittee's conviction that neither Congress nor the President can effectively deal with the needed economies in Indian Service expenditures. Reductions of appropriations, if horizontally applied to the 175 separate appropriations, or applied to individual appropriations which are not designated either for functional or geographical uses, can indeed reduce the Government's cost, but reductions thus achieved would cause material harm to the needed Indian services.

It is to meet the above situation as a whole that the subcommittee has proposed the substitute draft herein, which in its essence is an extremely simple device.

As stated, the subcommittee herein proposes no substantive change of the appropriation bill as reported to the House, other than the substitution of a lump sum conditioned by limitations which reproduce every substantive detail of the bill as reported to the House. Concerning increases, decreases, or changes of the

total sum or of the limitations, the subcommittee at this time makes no recommendation whatever. It is, however, pointed out that the mere substitution of a lump-sum appropriation for the 175 special appropriations would result in a great reduction of bookkeeping detail; inasmuch as by the present system numerous special funds have to be set up in the agencies, at the Indian Office, and in the office of the Comptroller General, and every expenditure which is made must be entered against the appropriate one of these numerous and, in some instances, omnibus special appropriations.

But as specified above, the substitute draft, in its seven final clauses, in part establishes and in part lays the foundation for drastic changes in the direction of flexibility, simplification, and effective congressional control, which changes would become fully effective in the appropriation bill for the fiscal year 1935.

The strategical change proposed in the suggested substitute draft herein would be the requirement that all expenditures of the Indian Service should be segregated functionally within jurisdictions and in the District of Columbia; reports of which functionalized expenditures would be made to Congress by the Indian Bureau and the Comptroller General as directed in the substitute draft. Neither of these offices at present makes such a report or is in a position to make it.

With such reports before it, Congress would be enabled to judge the Budget estimates in the light of the actual experience of the preceding year; and the Budget estimates could be presented in a form functionalized, localized, and supported by the detailed record of the preceding year and years.

In the light of such information, it would become possible to formulate the appropriation bill for the fiscal year 1935 with intelligible limitations directing the uses of funds for actual functions and in jurisdictions and places specified in the bill.

The language of the substitute draft likewise would insure that the uses of tribal funds, by functions and places, would be explicitly stated by the Indian Bureau, and thus could be protected in the appropriation bill.

Through the above accounting and reporting, the several million dollars of invisible appropriations expended by the bureau each year would be brought effectively within congressional control.

The subcommittee recommends immediate adoption of its suggested substitute draft, including the substantive changes found in the last seven paragraphs thereof.

The subcommittee points out that the 10 per cent leeway clause, suggested herein, is preceded by numerous items which from year to year have appeared in the Indian Service appropriations and in the appropriation bills of other departments.

The new administration, which takes office March 4, will live for one year under the appropriation act to be enacted prior to March 4.

If reorganizations of the Indian Bureau are to be made effective, or substantial economies are to be achieved or even intelligently considered by the incoming administration, it is necessary that it be empowered to the extent of the proposed 10 per cent leeway and that it be supplied with the essential information attainable only through the changed system of accounting as herein proposed.

ACCOUNTING FOR INDIVIDUAL FUNDS

The subcommittee, at hearings at a large number of reservations, has become accustomed to endless queries and complaints by individual Indians and by tribes of Indians, having to do with their stated inability to obtain from the Indian Bureau an accounting for their money, individual and tribal, which is held and administered under trust.

The amount of such funds is large, frequently being in excess of \$100,000,000 at a given time, and payments in excess of \$20,000,000 a year frequently are made from such funds to the Indian or in one way or another in his behalf.

The subcommittee considers that it is of elementary necessity for the Indians, whose funds are in the hands of the Indian Bureau as trustee, to be able to obtain an accounting or satisfactory reporting when they ask for it. Therefore, the subcommittee has proposed in its suggested substitute draft the following language: "On demand therefor, itemized reports or statements of the Indian moneys held in trust shall be rendered to the individual Indian or the tribe involved."

To accomplish the aforementioned desirable objectives, it is earnestly recommended that the proposed substitute draft of that portion of the Interior Department bill for 1934, dealing with Indian Service appropriations, beginning at page 9, line 24, to and including page 55, line 18 (H. R. 13170, December 15, 1932), be accepted by the Appropriations Committee of the Senate and substituted for the above-mentioned portion of the Interior Department appropriation bill.

REFORMS MUST GO DEEPER THAN FINANCE

Mr. KING. But too much may not be expected from the Indian Bureau even though the reforms called for in the bill which I offered and in the report of the committee were carried into effect. There must be a fundamental change in the structure, policies, and plans of the bureau as well as a different approach by the bureau to the entire Indian question. While it is important to bring the appropriations within the control of Congress and to establish a just, intelligible, and honest system of accounting, further important

steps must be taken and the very fabric of the Indian Bureau changed.

The facts which I shall now bring to the attention of the Senate are of importance to the Indians, even though an annual saving of \$8,000,000—which is the amount that could easily be saved under a proper administration and with beneficial results to the Indians—were disregarded. If the Appropriations Committees and Congress would accept the recommendations of the Senator from North Dakota [Mr. FRAZIER], as well as other recommendations which have been made, the bill before us now would contain \$8,000,000 less for expenditure by the Indian Bureau, without any disadvantage to the Indians and in many respects with resultant benefits to the Indians.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. KING. I yield for a question.

Mr. BROOKHART. Where does that \$8,000,000 go under the bill, if it does not go to the benefit of the Indians?

Mr. KING. First, may I state that more than \$10,000,000 of the appropriation for the bureau goes to pay the salaries of the employees of the Indian Bureau. As I stated a few moments ago, there is at least 1 bureau official for every 25 Indians, and 1 bureau official for every 6 children attending a boarding school.

Mr. BROOKHART. Most of that expense does not relate to the Indians, does it?

Mr. KING. The \$10,000,000 for salaries is paid to Federal employees in the Indian Bureau and they are dealing with the Indians, directly or indirectly. A considerable part of it is expended by the employees here in Washington. The bill before us carries approximately \$21,170,000 for the Indian Bureau for the next fiscal year, more than half of which will go to pay the salaries of the employees of the bureau; and, as I have pointed out, the bureau will spend a much larger total.

Mr. BROOKHART. The Senator says that \$21,000,000 is expended for the Indian Bureau.

Mr. KING. Yes; and I assert that it will expend a larger sum during the next fiscal year. When the last appropriation bill was before the Senate I showed that 52.4 per cent of the entire appropriation was required to pay the salaries and travel expenses of persons employed by the bureau; 50.9 per cent went for salaries alone. I also showed that during the first year of Mr. Rhoad's administration the salaries of Federal employees were increased 17 per cent, and before the end of the next year, 25 per cent, and that a large number of employees were added to the bureau pay roll.

BOARDING SCHOOLS AGAINST DAY SCHOOLS

Mr. BROOKHART. What part of that goes for boarding schools?

Mr. KING. A considerable portion of the entire appropriation is for boarding schools, but as I demonstrated when the last appropriation bill was under consideration, the boarding schools are failing in their purpose; they are costly and do not produce the beneficial results that follow day schools. I showed that Doctor Ryan, who recently came to the Indian Bureau, as well as others whose judgment is of value, recommended a change from boarding schools to day schools. First, because of the superior advantages and the greater benefits to the Indian children, and second, because of the immense economies that would result.

Mr. BROOKHART. Would the day schools be just as good?

Mr. KING. They are infinitely better than the boarding schools. I think that has been demonstrated and is the considered judgment of those whose opinions upon this matter are worthy of consideration. If the Senator is interested in this matter, and I know he is—

Mr. BROOKHART. I am interested. I inquired into the Indian affairs several years ago.

Mr. KING. I am glad to know that, and I commend to the Senator the report made a number of years ago by what is known as the Merriam board or commission. This

commission was appointed, as I recall, at the request of the Interior Department to study the Indian question. Doctor Ryan was a member of the commission, and wrote that part of the report dealing with Indian schools. I read the report very carefully several years ago, and I recall that a change was recommended in the school system, a change from the boarding schools to the day schools. A year ago, when the Indian appropriation bill was before the Senate, I secured an amendment by which \$500,000 was taken from the boarding-school item and added to the amount to be expended for the operation and maintenance of day schools. I am told that the results have been highly beneficial. The costs per capita of the school children have been reduced one-half, thus permitting a larger number of Indian children to be placed in schools, and the progress of the children in the day schools has been very much greater than those in the boarding schools.

Mr. BROOKHART. There are some day schools now, are there not?

DEMORALIZATION BY THE BOARDING SCHOOLS

Mr. KING. Yes; there are a considerable number, costing more than \$700,000; and, as I have indicated, the maintenance of day schools has a far better effect upon the children. It permits them to have contacts with their families and tends to develop a higher morale. Under the boarding-school system the children are dragged from their homes and sent from hundreds to thousands of miles away. In most instances they are not permitted to visit their homes or see their parents for years. When released from the boarding schools, there are few if any opportunities for them in the vicinities of the schools, and they return to the homes from which they were, in many instances, forcibly removed.

During the intervening years changes have taken place, and in many instances upon their return they find themselves more or less estranged and isolated. This produces a spirit of discouragement and even demoralization. Experience has demonstrated that the boarding schools have not produced satisfactory results either educationally, culturally, or morally. I emphasize these points, but it is also important to remember that the boarding-school system is extravagant and costly and, as I have stated, does not bring corresponding advantages. I stated before the Senator came into the Chamber that in the boarding schools there is one Federal employee for every six children. Millions have been spent in unnecessary buildings; costly experiments have been carried on; impractical and visionary persons have been employed, as well as persons lacking in understanding of the Indians or sympathy with the young children torn from their homes. The aggregate result of which has been that the boarding-school system has been found to be defective and wanting in those essential things so necessary for the building of Indian character and for preparing the children for useful service in life.

I call the Senator's attention to the contrast between the Indian Service of the United States and that of Canada. I discussed this matter in some detail a year ago and brought the attention of the Senate to reports which I had received showing the superior system the Canadians have employed in caring for their Indian wards. Under that system the Indians made great progress industrially and educationally, and Canada has found that day schools obtain beneficial results.

Mr. BROOKHART. Mr. President, on that subject has not the Indian Bureau authority under the present law to change the policy?

Mr. KING. Undoubtedly the Indian Bureau could recommend to Congress abandonment of the boarding-school system and the establishment of day schools among the Indians, I have no doubt that Congress would quickly respond to a recommendation of this character. The report of Doctor Ryan to which I have referred is a recommendation of day schools as against boarding schools, but the Indian Bureau has resolutely opposed the abolition of the boarding schools. I should say, however, that it has indicated that there should be a gradual increase in the number

of day schools, which would mean a diminution in the number of boarding schools. However, when I attempted a year ago to have incorporated in the appropriation bill appropriations for more day schools and fewer boarding schools, fierce opposition was encountered at the hands of the bureau. However, with the support of Doctor Ryan progress was made, and \$500,000, as I have stated, which was to be devoted to boarding schools, was transferred to the day-school category.

Mr. BROOKHART. Does the Senator expect to offer an amendment to this bill to increase the number of day schools?

Mr. KING. I have an amendment to propose reducing the appropriation for boarding schools \$1,000,000 and applying \$500,000 of the same to the establishment of day schools. Five hundred thousand dollars used for day schools will care for more children with better results than \$1,000,000 expended in boarding schools. However, my proposal will be opposed by the committee and of course meets with opposition at the hands of the Indian Bureau.

THE CONTRAST WITH CANADA

With reference to the Canadian Indian policy: I pointed out in my address a year ago that the Indian population of Canada is steadily increasing; that the Indian land holdings are kept intact and are increasing; that the Indian tribal funds are increasing; that Canada distinguishes between capital and income, and as I have said, as a trustee insists upon investing capital for capital-production purposes. I also showed that the Canadian Indians have access to whatever there be of health, educational, agricultural, and economic service made available by the Dominion or its Provinces to any citizen.

I contrasted the Canadian situation with that in the United States; and I stated that Indian land holdings in this country since 1887 had shrunk from 133,000,000 acres to only 47,000,000 acres at the present time, almost entirely through the actions of the guardian Government regardless of Indian consent. I also pointed out that here, in contrast to Canada, Indian tribal funds have melted away to the amount of a loss of more than \$500,000,000 since 1887.

It is pertinent to remark that if we had adopted the course of Canada this \$500,000,000 would have been regarded as capital, because it was such, instead of being treated as income and dissipated. A capital investment of \$500,000,000 would have found the American Indian far advanced along the path of economic independence. In my address I also stated that Canada does not employ Indian trust funds for the maintenance of its Indian Service, whereas our Indian Bureau since 1900 has expended more than \$110,000,000 of Indian tribal trust money for its own salaries and conveniences, and I also pointed out that the Canadian Indian administration on a per capita basis was less than 38 per cent as expensive as our Indian administration on a per capita basis. The record shows that our Indian Bureau spends two and six-tenths times as much on a per capita basis as the Canadian Indian Bureau.

THE CONTRACT WITH MEXICO

I also referred to the Indian policy and the Indian administration methods of Mexico. There, as I indicated, the government had achieved an efficiency with economy, even more striking than that in the case of Canada. The per capita cost of schooling Indian children under our Indian bureau methods in the bureau's boarding schools was \$429 per child as estimated in the budget for 1933. In Mexico the per capita schooling cost does not exceed \$17 per child per year. The landholdings of the Indians in Mexico are being enlarged, and so effective are the services rendered on Indian reservations or communes, and so interested and concerned are the Indians in the government and in their relations thereto, that they are willing to pay taxes not only at a rate equal to the taxes paid by the owners of large plantation estates but indeed at a higher rate. I might add that the administrative unit through which the Mexican Government renders its Indian services is the Indian tribal group itself, organized into a cooperative landholding company called an ejida. The ejida is comparable to the Pueblo

Indian tribal organization and landholding system still going forward happily and successfully in New Mexico. But Mexico has reinforced the ejidas, which are, in their essence, holding companies, cooperative societies, credit unions, and marketing organizations of the Indians, with technical assistance in the form of rural credit, agricultural organization and guidance, assistance in the development of health programs, normal schools where the young men and women of the tribes are trained to become leaders of their own villages, communes, and neighborhoods, and generally with a very high grade of modern rural-life service. So effective as a stimulus to self-help has the Mexican system proved to be that for much of the time since the ejidas were established, about half of the 6,000 Indian schools have been financed by the ejidas themselves, even the salaries of the teachers being paid by the Indian beneficiaries of these schools. I am informed that the per capita cost of Indian schooling in Mexico is a little less than \$18 a year, compared to the per capita cost under our Indian Bureau of more than \$300 a year.

Mr. BROOKHART. Mr. President, will the Senator explain briefly the difference between the day school and the boarding school? I may not catch the full idea.

Mr. KING. In the case of boarding schools, I presume the Senator has visited some of them.

Mr. BROOKHART. I have visited some of the day schools, but not any of the boarding schools.

Mr. KING. I attempted to explain the difference, but perhaps did not make the matter clear. The bureau has established a number of boarding schools—more than 70—some of which are remote from the homes of Indians. The Indian children are taken from their parents, often by force, and sent to remote points where buildings have been erected by the Government to house the children and in which the boarding schools are conducted. In many places extensive buildings have been erected at a considerable cost. Many of these schools, I believe, ignore the backwardness of the Indian children, the difficulties under which they are trained, the character of education and training which they should receive. A very costly system has been adopted which calls for a large expense—costly buildings and costly administrative methods. A large administrative personnel is employed, and apparently an effort is made to absolutely remove the children from all contacts with their parents and tribes, but at the same time there is a failure to fit the children for places in the industrial or economic life of the country. The children, as I have stated, are detached from their homes and their parents, and it is obvious that this situation, when surrounded as they are by strangers and by white people, will have important results, not always for good, in the character and behavior of the children. The children are more or less captives and lack that freedom so necessary for proper development of children. My information is that animosities and resentments are developed and that many of the children when they are released from these boarding schools exhibit a feeling of anger, if not hostility, toward the policy and the Government and persons connected therewith.

THE EXAMPLE OF THE LEUPP BOARDING SCHOOL

The bureau has not only constructed buildings too costly, but it has not always acted with wisdom in selecting the points for the establishment of the schools. For instance, the bureau spent more than a million dollars in buildings at what is called the Leupp Agency. The buildings were constructed at a low point, close to the banks of the Little Colorado River. Everyone familiar with the situation knew that floods frequently came and that by erosion the river banks were washed away. The Senator from Arizona [Mr. ASHURST] stated in the Senate's Indian Committee meeting held at this place that he had objected to the establishment of the school at the place which I have mentioned. The floods did come and those at the agency were compelled to flee. The children were thereupon taken to distant points and placed in other boarding schools. In these boarding schools expensive methods were adopted, nurses were employed, and doctors and a large retinue of employees, the

cost per child per annum being around \$400. Now the Indian Bureau is seeking to continue this Leupp boarding school and is asking for more money for a renewed effort at flood protection.

I think the report of Doctor Ryan condemns a policy which drags the children from their homes, takes them from their parents, and sends them to distant points hundreds, and in some instances thousands, of miles away. The effect of such a system is most unsatisfactory upon the life and character of the children. Experience has shown that day schools established at or near the homes of the children, where they can come in contact with their parents and friends and those of their tribe, produce superior results. The boarding schools have been the result of a misconception of the needs of the Indians and the character of training and education which they should receive, but they have furnished jobs for thousands of employees, and the millions of dollars annually expended in building and maintaining them are of material advantage to the towns and cities near by, inhabited by white people. Too often the influence of white communities has determined the location of schools, and the inhabitants of these sections are eager to have large appropriations made for the Indian schools and their maintenance.

In the discussion a year ago I called attention to the fact that chambers of commerce and business men and bankers in some sections demanded larger appropriations for Indian agencies, and objected to economies which were being recommended for the protection of the Indians. I regret to state, but it is a fact, that communities inhabited by white people have greatly profited from the extravagance of the Indian Bureau and have been active propagandists in favor of liberal and still more liberal appropriations to be expended upon Indian reservations and upon Indian schools.

Mr. BROOKHART. What about the course of study in the boarding schools? Do they have vocational studies and studies of that kind over the day schools?

Mr. KING. My information is that the instructions given at the day schools produce better results than those imparted at the boarding schools. The Senator from North Dakota [Mr. FRAZIER], chairman of the Senate's Indian Investigating Committee, has visited most if not all the boarding schools as well as most if not all of the day schools. He and the Senator from Montana [Mr. WHEELER], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Oklahoma [Mr. THOMAS], all recommend that a change be made, not precipitately, from the boarding school to the day schools. I believe it is their considered judgment that from every point of view the change will be beneficial. Certainly the day schools have yielded better results, and it is conceded that the cost of the boarding schools is more than double the cost of day schools.

Mr. President, in my address a year ago I devoted some time to a discussion of the unjust and destructive system enforced by the Indian Bureau in connection with land allotment. Under this system the bureau has caused the destruction of the Indian landholdings, and if persisted in, the system will, with mathematical precision, continue to disinherit all of the allotted Indians until they are wholly disinherited.

The allotment system is an elaborate paternalistic, bureaucratic control; it involves each allotted Indian, his land, his funds, his operations of lease, sale, or transfer, and even the making of his will. It provides jobs for several thousand Indian Bureau employees, and imposes costs upon the Government of not less than \$3,000,000 per year of administrative expense, with the sole result of stripping from the Indian his land while destroying his personal morale and his community life.

Mr. BROOKHART. Mr. President, will the Senator recur for a moment to the school matter? What would be the loss, if any, if we changed from the boarding school to the day school?

Mr. KING. There would be no loss; there would be a gain, a saving, of approximately \$5,000,000 a year.

Mr. BROOKHART. The same equipment could not be used, could it?

Mr. KING. No; many of the buildings, of course, would revert to the States or be abandoned, the same as this million-dollar equipment down in the Leupp region on the Little Colorado River will have to be abandoned because of the erosion of the soil as the water advances down the canyon.

INDIAN DAY SCHOOLS IN OKLAHOMA

In further explanation to the Senator from Iowa, I may cite an example of Indian day-school work under the Indian Bureau in Oklahoma. On October 12 last, the day school and teachers' cottage at Kallihoma, Okla., were completed. The Indians themselves constructed these two buildings and the total cost to the Government was only \$929. A group of Indian men gave their labor for two months to the construction, and only one white carpenter was employed for part of the time. The teachers in charge are Indians, one a full-blood Choctaw and the other a Chickasaw. The school is operated as a community center, with all sorts of adult-education and neighborhood-improvement work going on as part of the school activity.

Among the Five Civilized Tribes of Oklahoma, there are now nine rural day schools, all taught by Indian teachers. Numerous reports concerning these schools are in the Indian Bureau's files, and they show that the schools are all-round community institutions which not only provide the regular day-school training for the children, but which carry out agricultural and gardening campaigns, fruit-canning campaigns, and club activities dealing with various rural-life problems. Among the activities are community sings, and the supervisor of Indian education for Oklahoma testifies that the Cherokees, who are the Indians attending these schools, have remarkable musical talent, notably greater than that of the white people. These schools likewise are health centers.

In all of these special schools the teachers are Indians. The schools are operated by the Indian Bureau with the active help of the county school superintendent of Pontotoc County, Okla.

INDIAN DAY SCHOOLS IN ALASKA

The economy and practicability of day schools for Indians are demonstrated when we turn to the Indian service of Alaska. If there is any region where the boarding school would be a necessity, that region is Alaska. The Indians are widely scattered. Communications are difficult. The winters are long, excessively cold, and dark.

But the development of Indian education in Alaska is a recent event, and as a consequence there are only 390 Alaskan Indian children in boarding schools, while there are 4,089 Alaskan Indian children in day schools. There are 4 small boarding schools and 101 day schools. The cost of the boarding schools in Alaska is \$337 for each child, while the cost of the day schools in Alaska is \$89 for each child.

If the situation in Alaska were transposed to the Indian Service in the United States, and the children now being cared for in Government and mission schools and by the payment of tuition to the public schools were redistributed, so that the proportion of the children in Government boarding schools to those in day schools became identical with that now prevailing in Alaska, the result would be as follows:

There would remain in Government boarding schools 2,561 children. There would be transferred from Government boarding schools to day schools 17,862 children. The net saving, in the fiscal year ahead, would be \$4,626,228.

But in fact, the day school in the United States is far more practicable than in the Alaskan Indian service, so that actually a larger number of children could be transferred from the boarding schools and a greater saving could be accomplished. The saving ought to go above \$5,000,000 a year.

THE EXTRAVAGANCE OF OVERCENTRALIZATION

In my address of April 11 of last year I showed the enormous centralization of the Indian Bureau and its increasing

drafts, to meet the salaries of bureau employees, upon the Federal Treasury and the tribal funds. I have received a letter under date of January 18 from Commissioner Rhoads stating that the Washington office pay roll of the Indian Bureau for 1933 is \$459,433. The aggregate pay roll, when the agencies are included, is, for the current fiscal year, \$10,865,550, exclusive of Alaska. There are only 195,000 Indians under the jurisdiction of the Indian Bureau, and the salaries of the bureau are 50 per cent of the entire appropriation and amount to approximately \$55 or \$56 for every Indian under the control of the Government. Contrast this figure with that of Canada. There the Indian Bureau has jurisdiction over 108,000 Indians. Its total pay roll for the fiscal year 1931 was \$179,317. This amount covered all central-office salaries and all agency salaries, exclusive of schools and medical service. The Canadian policy is a condemnation of the inefficient and extravagant Indian policy of our Government. Our Indian Bureau is paternalistic and bureaucratic and pretends to do through paid employees all and everything which human beings normally do for themselves. Coupled with this paternalism is the Indian Bureau's policy of monopolizing the Indian Service and of duplicating, through pigmy services of its own, the work of the Department of Agriculture, the Bureau of Reclamation, the work of the State agricultural, educational, health, and welfare departments, and even the work of the courts.

BUYING INJURY FOR THE INDIANS

Under this inferior and devitalizing policy the Indians are supplied a greatly inferior service, and millions of dollars per annum of the taxpayers' money and of the Indian tribal funds are expended on needless duplication of these services. These mounting Indian Bureau costs have produced no benefits for the Indians but have resulted in definite and fatal injuries. The costly boarding-school system represents injury, the costly allotment system represents injury, and the expensive centralizing of the bureau with its duplications on a little scale and in a low-grade fashion contributes to the injurious results. The system is indefensible and is the worst in the whole field of government. I stress these matters for the purpose of compelling, if I may, attention to the imperative need of a radical reorganization of the Indian Bureau. Such a reorganization must result in effective economy, and unless it be accomplished the cause of the Indians becomes more hopeless each year.

THE PETITION OF 600 FRIENDS OF THE INDIANS

Mr. President, I invite the attention of the Senate to a remarkable document which was submitted, as I am advised, under date of January 28 to President-elect Roosevelt. It was signed by more than 600 of the country's leading educators, physicians, churchmen, social workers, and Indian welfare workers. Among the signers appear such names as those of President Robert M. Hutchins, of Chicago University; Mr. George Foster Peabody; Dr. Haven Emerson, of Columbia University; and Miss Edith Abbott, of Hull House, Chicago. The document states that—

• • • So great is the Indian distress in many tribes and so rapid is the shrinkage of Indian property held in trust by the Government, that we do not believe we are exaggerating when we suggest that your administration represents almost a last chance for the Indians.

Mr. President, I present a copy of this communication containing the names of some of those who signed it, and ask permission to have the same inserted in the RECORD without reading.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

HON. FRANKLIN D. ROOSEVELT,
President elect of the United States.

DEAR MR. ROOSEVELT: The undersigned, educators, social workers, and citizens, earnestly petition you to give especial consideration to the situation of the Government's Indian wards.

In justification of our request, we point out that the Indians are dependent on the United States Government and are at its mercy in ways and to an extent true of no other elements in

our population. They are wards of the Government; their property is held and administered under the Government's trust; their personal lives are almost completely subject to control by the Government as their guardian.

They depend on the Federal Government for nearly all of the services—economic, educational, social, and human—which other populations receive through many Federal departments, through the State and county governments, through the private welfare agencies, and through their independent actions of organized self-help. These services, as supplied to Indians, have been improved in current years, but the needs and the difficulties of the Indians remain extreme, even tragic.

The Government, as trustee, has not been thrifty with the Indians' estate. On the contrary, the Indian-owned lands have dwindled with extreme rapidity from an acreage of 133,000,000 in 1887 to an acreage of only 47,000,000 at the present day. The system of property administration, not yet reorganized, insures in its very structure the continued shrinkage of Indian lands, with the complete ultimate disinheritance of more than two-thirds of the Indians still holding property under Government trust. A comparable dissipation has taken place, and is continuing, with respect to the Indian-owned natural resources and the funds derived from their exploitation.

We urge upon your attention the intense contrast between the present situation of the Indians in the United States and in our neighboring countries, Mexico and Canada. In both of these neighboring countries Indian property is increasing, not diminishing; the cultural rights of the Indians are carefully respected; and the Indians are helped to take their full place in the political, professional, social, and economic life.

So great is the Indian distress in many tribes, and so rapid is the shrinkage of Indian property held in trust by the Government, that we do not believe we are exaggerating when we suggest that your administration represents almost a last chance for the Indians.

The task of guardianship and trusteeship over the 230,000 Indian wards and their property is one of immense complication. Numerous and difficult technical procedures are involved. An extensive and conflicting body of statute law encumbers the trusteeship and guardianship services, while at the same time the Indian Bureau is vested with discretionary powers over Indian property, with immunity from court review, to an extent dangerous to the Indians and to the national honor.

There is required, we venture to suggest, not only an Indian administration of extraordinary determination and technical ability but a reorganization of the Government's system of Indian affairs, including an extensive reconstruction of Indian law.

In the light of these facts, we respectfully but most earnestly urge that in appointing the Commissioner of Indian Affairs and the Assistant Commissioner of Indian Affairs and in filling the coordinate positions affecting the Indians, outstanding ability shall be sought for and experience and technical knowledge and equipment be emphasized. If there are any appointments in the Government service which deserve to be lifted above the political considerations, the appointments to the Indian Bureau are such. They are the appointments of guardians and trustees over wards who are, by our own statute law, made wholly dependent upon the Government and placed wholly at its mercy. They are appointments for the governance of the whole of a minority race which has suffered immeasurable past wrongs at the hands of our own Government.

We make no suggestion regarding persons. But we respectfully urge that the appointments be considered from the standpoint of the Indians themselves and in the light of the solemn obligations of trusteeship and of guardianship.

Very respectfully,

Robert M. Hutchins, Chicago, president University of Chicago; George Foster Peabody, Saratoga Springs, N. Y., Hampton Institute, etc.; John A. Ryan, D. D., Washington, director department of social action, National Catholic Welfare Conference; Bishop Hugh L. Burleson, New York, National Council of the Episcopal Church; Haven Emerson, M. D., New York, professor, department of public health administration, Columbia University; Mrs. H. A. Reeve, Philadelphia, president International Federation of Home and School, formerly president National Congress of Parents and Teachers; Miss Edith Abbot, Chicago, professor, school of social administration, Chicago University; Dr. John R. Haynes, Los Angeles, regent, University of California; Virginia C. Gildersleeve, New York, dean, Barnard College; Percy Jackson, New York, Eastern Association on Indian Affairs; Lewis Meriam, Washington, chairman survey of Indian administration, Institute of Government Research; John Collier, Washington, executive secretary American Indian Defense Association; Nathan R. Margold, New York, committee on Indian civil rights, American Civil Liberties Union; Daniel C. Beard, New York, national counsellor Boy Scouts of America; Jay B. Nash, New York, professor, department of physical education, New York University; Thomas Jesse Jones, New York, educational director, Phelps-Stokes Fund; Franz Boas, New York, professor, department of anthropology, Columbia University; Mary Louise Mark, Columbus, Ohio, professor, department of sociology, Ohio State University; Charles C. Davenport, Cold Springs Harbor, N. Y., director of the laboratory of genetics of the Carnegie Institution of Washington; Sherwood Eddy, New York,

formerly secretary International Young Men's Christian Association; Judson King, Washington, director National Popular Government League; Oswald Garrison Villard, New York, editor the Nation; Owen Lovejoy, New York, Children's Aid Society; Fred W. Hinrichs, jr., Pasadena, dean California Institute of Technology; Pearl Chase, Santa Barbara, Better Homes of America; Rev. Oliver Hart Bronson, Santa Barbara; Mabel C. Washburn, Santa Barbara, secretary Indian Defense Association of Santa Barbara; Frank Aydelotte, Swarthmore, Pa., president Swarthmore College; W. F. Bigelow, New York, editor Good Housekeeping; Walter Pettit, New York, New York School of Social Work; Rachel B. Barker, San Francisco, secretary Indian Defense Association of Northern and Central California; Mabel Dodge Luhan, Taos, N. Mex., author; Elizabeth Shepley Sergeant, New York, author; C. R. Mann, Washington, director American Council of Education; E. C. Lindeman, New York, New York School of Social Work; Stella M. Atwood, Riverside, Calif., legislative advisor American Indian Defense Association (formerly chairman Indian welfare committee of the Federated Women's Clubs); Stansbeery Hagar, Brooklyn, secretary of the council, Brooklyn Institute of Arts and Sciences; C. Hart Merriam, Washington, research associate, the Smithsonian Institution; H. L. Lurie, New York, Bureau of Jewish Social Research; J. Prentice Murphy, Philadelphia, Children's Bureau and Seybert Foundation; James W. Young, Chicago, professor, School of Business, University of Chicago; James Ford, Cambridge, professor, department of sociology, Harvard University; Lieut. Col. George P. Ahern, U. S. A., Washington; Frederic C. Howe, New York City, author; Julia Peterkin, New York City, author; Pauline Goldmark, New York City, social research; Mabel Kittredge, New York City, "House Keeping Center"; Donald P. Geddes, New York City, head of Columbia University publications; Morris Ryskind, New York City, author; Eva Le Gallienne, New York City, author; W. D. L. Held, Ukiah, Calif., judge of the superior court; Mrs. Martha Toles, Ukiah, Calif., county social agent; Fremont Older, San Francisco, editor, Call-Bulletin; Mrs. Blanche Hamilton, Berkeley, Calif., secretary, College Women's Club; Dr. E. F. Glaser, San Francisco, California State Board of Health; chairman, California Committee on Indian Relief; Mrs. Max C. Sloss, San Francisco, San Francisco Civic Center; Jeanne de Strange Cappel, Los Angeles, secretary, American Indian Woman's Club; Glenn E. Hoover, Mills College, Calif., professor, department of economics and sociology; George L. Cady, 287 Fourth Avenue, New York City, American Missionary Association; Stephen J. Corey, Missions Building, New York City, United Christian Missionary Society; Charles E. Schaeffer, Philadelphia, board of home missions, Reformed Church in the United States; Russell S. Showers, Dayton, Ohio, general secretary Home Mission United Brethren Church; Mrs. Daniel A. Poling, Pennsylvania Hotel, New York City, Council of Women for Home Missions; G. W. Holloway, 516 North Charles Street, Baltimore, Md., board of missions, Methodist Protestant Church; Miss Lucy Carner, 600 Lexington Avenue, New York City, national board, Young Women's Christian Association; Laurena H. Farquhar, Wilmington, Ohio, Friends Board of Missions; Mrs. Duncan McDuffie, Berkeley, Calif., Indian Defense Association of Central, and Northern California; Charles deY. Elkus, San Francisco, president, Indian Defense Association of Central and Northern California; Donald B. Armstrong, M. D., New York, Metropolitan Life Insurance Co.; Roger N. Baldwin, New York, The American Civil Liberties Union; S. P. Breckenridge, Chicago, professor, school of social service administration, Chicago University; L. P. Chute, Minneapolis, chairman, Indian Relief Committee; George P. Clements, Los Angeles, director of agriculture, Los Angeles Chamber of Commerce; Phoebe Jewell Nichols, Oshkosh, Wis., League of Women Voters; Marion E. Gridley, Chicago, secretary, Indian Council Fire; Eleanor H. Holtzman, Chicago, first vice president, Chicago and Cook County Federation of Women's Organizations; Frank W. Creighton, New York, executive secretary, domestic missions, Episcopal Church; William Hodson, New York, Welfare Council; Hutchins Hapgood, Winchester, N. H., author; Dr. James P. Warbasse, New York, Cooperative League of the United States; Harold von Schmidt, Westport, Conn., illustrator; Lester F. Scott, New York, Camp Fire Girls of America; Miss Irene Lewisohn, New York; Mrs. A. Barton Hepburn, New York, American Indian Defense Association; Robert E. Ely, New York, director, Town Hall; Marjory A. Martin, New York, Society of Congregational Church Women of State of New York; Mabel Carney, New York, professor, teachers' college, Columbia University; Robert Gessner, New York, New York University; Dr. Frank A. Smith, New York, Home Missions Council; Bryan Foote, Newark, New Jersey Conference of Social Work; Carl C. Carstens, New York, Child Welfare League of America; Charles E. Merrill, New York, Congregational

Committee on Missions; Paul E. Stewart, Santa Barbara, superintendent of public schools; Walter West, 130 East Twenty-second Street, New York City, American Association of Social Workers; Elizabeth McCord, Philadelphia, Pa., Community Council of Philadelphia; Henrietta Roelofs, New York City, National Board, Young Women's Christian Association; Janie W. McGaughey, Atlanta, Ga., secretary women's work, Presbyterian Church; Oliver LaFarge, 205 East Sixty-ninth Street, New York City, Eastern Association on Indian Affairs; Mary Cabot Wheelwright, Boston, Mass., Eastern Association on Indian Affairs; Gertrude Ely, Bryn Mawr, Pa., Eastern Association on Indian Affairs; Herbert J. Spinden, Brooklyn, N. Y., Eastern Association on Indian Affairs; Walter V. Woehke, Los Angeles, Ventura Free Press; Ann Shumaker, Washington, editor Progressive Education; and 498 additional signatures, which include representatives of all church bodies doing work among the Indians.

Mr. KING. Mr. President, a moment ago I stated that this bill carried \$8,000,000 for the Indian Bureau which was unnecessary and that it would result in more harm than good to the Indians. I shall attempt to give some facts in support of this statement.

I have stated the main instances of waste coupled with damage to the Indians. They consist of the bureau's schooling system, its autocratic and unreviewable paternalism, which searches and enmeshes even the personal life of each Indian, and its duplication of other Government services. I shall deal with these in their turn.

MORE ABOUT THE SCHOOLING WASTES AND FAILURES

Mr. President, I ask to have inserted in the RECORD a table which gives the statistics of the number of children in Indian boarding schools in the years 1917, 1929, 1931, and 1932, and the estimated number for the fiscal year 1934.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Comparison of attendance figures at Indian boarding schools for sample years from 1917 through 1932, and estimated number who will be in attendance in the fiscal year ending June 30, 1934, for which the pending appropriation bill makes provision¹

	1917	1929	1931	1932	Estimated for 1934
Government boarding schools.....	22,200	21,939	21,256	21,687	² 20,423
Mission boarding schools.....	5,100	3,022	6,286	7,351	³ 7,351
Total.....	27,311	24,715	27,532	29,028	27,773

¹ References: Annual reports Commissioner of Indian Affairs, 1917, 1929, 1931; House hearings on Interior Department appropriation bill, 1934.

² This total is arrived at as follows: The pending budget is estimated for an average attendance (at Government boarding schools) of 19,230. Experience has proved that the actual attendance exceeds the advance-estimated attendance. The excess for non-reservation boarding schools in 1932 (the last year of completed record) was 6.2 per cent. Applying this correction to the estimate, the total of 20,423 is obtained as the probable average attendance at Government boarding schools in the fiscal year ahead.

³ No estimates available. In view of increase of attendance at mission boarding schools from 1929 through 1932, it is here assumed that the attendance at these schools in 1934 will be not less than the attendance of 1932.

CONCLUSIONS FROM THE ABOVE TABLE

Disregarding qualitative facts and taking into account only quantitative facts, the boarding schools have not been diminished since 1917. If attention be given only to the Government boarding schools as distinct from mission boarding schools, the decrease in attendance from 1917 to 1932 was 2.2 per cent and the decrease from 1929 to 1932 was 1.2 per cent. The decrease from 1929 to the estimates hereunder, for Government boarding schools exclusively, in the fiscal year 1934, totals 7.1 per cent; but when all the boarding schools are considered, there is found an increase, from 1929 to the estimated total for 1934, of 18.3 per cent.

The cost to the Government, on a per child basis, for the Government schools, increased approximately 63 per cent from 1917 to the Budget estimates for 1934. The 1934 Budget estimates aggregate \$7,059,000 for children in Government boarding schools numbering 19,230, which total of children should be corrected to 20,422.

Mr. KING. I shall briefly refer to the matter just inserted in the RECORD. The estimate for the fiscal year 1934 shows the total number of children in the boarding schools to be 20,422.

Mr. BROOKHART. How many are in the day schools?

FOR EACH SEVEN CHILDREN—ONE EMPLOYEE

Mr. KING. I will refer to that in a moment. The total cost for the boarding schools as estimated for 1934 is

\$7,059,000 and the cost for each child for the year is \$346. But the costs will be greater and will be met from deficiency appropriations and tribal funds. The total salaries and wages, after deducting for legislative and administrative furloughs, amount to \$3,870,909. It appears therefore that the salary expenditure for each child is \$189. It will be perceived that more than half of the cost is for salaries of employees, the number of the regular employees being 2,761, and the number of irregular employees 225 on a whole-time basis at \$1,000 per year. Thus the total number of employees in the boarding schools is 2,986. This gives a ratio of Government employees to children of 1 to 6.9.

THE COMPARISON WITH DAY SCHOOLS

Mr. President, these figures I have obtained from the Indian Bureau and they show the total number of children in the day schools, as estimated for 1934, to be 5,960 at an estimated total cost for the day schools of \$739,000. The per capita cost is therefore \$124, or approximately one-third of the per capita cost of the boarding schools. The total salaries and wages are \$459,940.

The statistical tabulation shows that in 1917 there were 27,311 children in the Indian boarding schools and that in 1929 there were 29,028; the estimated number for 1934 is 27,773. I have here in tabular form information as to salary costs, and so forth, to which I have just referred, and ask that the table be inserted in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Indian Bureau boarding school and day school costs, with salary totals, per capita costs, and salary expenditure occasioned by each child in school

(1) Boarding schools; estimate for the fiscal year 1934 (the budget for 1934):	
Total of children (corrected estimate).....	20,422
Total cost.....	\$7,059,000
Cost per child per year.....	\$346
Total salaries and wages (after deducting legislative and administrative furloughs).....	\$3,870,909
Salary expenditure occasioned by each child.....	\$189
Number of regular employees.....	2,761
Number of irregular employees (on a whole-time basis at \$1,000 a year).....	225
Total of employees.....	2,986
Ratio of Government employees to children.....	1 to 6.9
(2) Indian Bureau day schools (fiscal year 1933; data furnished by the Division of Education of the Indian Bureau):	
Total of children.....	5,960
Total cost (approximate).....	\$739,000
Per capita cost (approximate).....	\$124
Total of salaries and wages.....	\$459,940
Salary expenditure occasioned by each child.....	\$77
Number of teachers.....	242
Number of housekeepers.....	113
Total of employees.....	355
Ratio of Government employees to children.....	1 to 16.8

Mr. KING. Mr. President, the following conclusions are warranted from the figures submitted. Disregarding qualitative facts and taking into account only quantitative facts, the boarding schools have not been diminished since 1917. If attention be given only to the Government boarding schools as distinct from mission boarding schools, the decrease in attendance from 1917 to 1932 was 2.2 per cent, and the decrease from 1929 to 1932 was 1.2 per cent. The decrease from 1929 to the estimates for Government boarding schools exclusively as distinct from mission boarding schools in the fiscal year 1934 totals 7.1 per cent; but when all the boarding schools are considered there is found an increase from 1929 to the estimated total for 1934 of 12.3 per cent.

The cost to the Government on a per-child basis for the Government schools increased approximately 63 per cent from 1917 to the Budget estimates for 1934, a large part of which, of course, was caused by the increase in the number of employees. Living costs have gone down since 1917.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. KING. I yield.

Mr. BROOKHART. What class of Government employees are the ones that the Senator thinks are in excess?

THE WHOLE INDIAN SERVICE IS OVERMANNED

Mr. KING. Mr. President, there is not a division or sub-division in the entire Indian Bureau service that is not overmanned. With economy and efficiency the entire work of the Indian Bureau could be performed with one-half of the employees. There are a large number of so-called farmers who should be separated from the service, and if one of the recent employees, Mr. Cooley, were given authority to deal with the agricultural activities of the bureau he could with one-fifth of those engaged in so-called agricultural work accomplish far better results than are now obtained. Similar results, as well as advantages to the Indians, would result if like reductions were made in many of the divisions and groups in the bureau.

In the District of Columbia there are entirely too many employees. In all of the reservations, and there are more than a hundred reservations, the number of employees is entirely too great. The Senator may recall the bureau's expenses upon the Klamath Reservation. It was shown that the Indians protested against the enormous number of employees. The number of Indians in the reservation was comparatively small yet the number of employees was large and 30 automobiles were furnished for their benefit. Work was given to white employees in the construction of unnecessary roads and in other activities of but little benefit to the Indians. My recollection is that there were more than 30 buildings upon this small reservation to accommodate the white employees. An unnecessarily large force of men was employed to look after the forests, and I might say in passing that the Indian Bureau entered into unfair and improvident contracts with white lumbermen for the cutting of timber upon the reservation, and costs, which should have been borne by those having the contracts, were superimposed upon the Indians. Two intelligent Indians visited me this morning and stated that there were loaded upon them and their reservation a large number of civil-service employees; that many of them were not needed at all and that those whose services were of some benefit were needed only a portion of the year. The bureau, however, paid for the entire year, thus increasing the costs to the Government and to the Indians.

WASTES BY INDIAN IRRIGATION SERVICE

Mr. President, I proved in a number of addresses which I have delivered in the Senate in connection with Indian appropriation bills that this inefficient and extravagant Indian Bureau has expended more than \$54,000,000 in the construction of so-called reclamation projects, and that \$34,000,000 will be required to complete according to the unsound, ill-considered, and indeed foolish plans and projects upon which so large a sum has been expended. I shall refer to some of these projects before concluding my remarks. I might add at this point, however, that in my opinion more than \$30,000,000 has been wasted in these so-called reclamation projects. They have been built largely for the benefit of the whites and have proven disadvantageous and, in many instances, disastrous to the Indians.

Mr. President, I desire to briefly discuss some of the causes of the destruction of the Indian wealth and present some facts showing the destruction in the holdings and property of the Indians.

THE DESTRUCTION OF INDIAN WEALTH BY THE GOVERNMENTAL TRUSTEE

I do not believe that any Member of this body can point out a state of affairs involving a trusteeship over property—whether trusteeship by the Government or by a private agency—that is comparable to the trusteeship of the Indian Bureau over the property of the Indians.

In the first place, it is a trusteeship which carries with it in addition an unreviewable guardianship power over the person, as well as an unreviewable trusteeship power over the property, of the interested party. A part of this guardianship consists in the absolute control over the uses of such income as may be paid to the beneficiary of the trust.

As a trustee over property, I submit that the Indian Bureau has powers unprecedented and unique and employs these powers in ways that are unprecedented. Among these

powers is immunity from court review and freedom from the requirement of rendering accounting to the supposed beneficiaries of the trust.

THE UNPRECEDENTED TRUSTEESHIP

The Indian Bureau, as a trustee, is not required by law to distinguish between the corpus of the estate and the income from the estate, and it makes no distinction. It consumes, as income, capital assets in the amount of millions of dollars a year, and it distributes, as income, capital assets which under a normal trusteeship would be reinvested to preserve or increase the corpus of the estate.

I shall, in a few moments, give evidence of the well-nigh incredible abuses, with entailed instructions of Indian life and property which continue to flourish under this anomalous scheme of trusteeship and guardianship.

In 1914 an important survey of the Indian Bureau's trusteeship operations was made by the National Bureau of Municipal Research in behalf of the President's Economic Commission and of a joint committee of the House and Senate. This report (as a result, I presume, of Indian Bureau influence) was never made a public document. It was not even permitted, so far as I am advised, to go into the Library of Congress, according to a signed statement of Dr. Frederick A. Cleveland, director of the survey. Excerpts from this important document were privately printed by the Bureau of Municipal Research in September, 1915, and I desire to quote two paragraphs from a summary there given. I quote these paragraphs because they are descriptive of the situation at the present hour:

... behind the sham protection which operated largely as a blind to publicity, have been at all times great wealth in the form of Indian funds to be subverted; valuable lands, mines, oil fields, and other natural resources to be despoiled or appropriated to the use of the trader; and large profits to be made by those dealing with trustees who were animated by motives of gain. This has been the situation in which the Indian Service has been for more than a century—the Indian during all this time having his rights and properties to greater or less extent neglected; the guardian, the Government, in many instances, passive to conditions which have contributed to his undoing.

And still, due to the increasing value of his remaining estate, there is left an inducement to fraud, corruption, and institutional incompetence almost beyond the possibility of comprehension. The properties and funds of the Indians to-day are estimated at not less than one thousand millions of dollars. There is still a great obligation to be discharged, which must run through many years. The Government itself owes many millions of dollars for Indian moneys which it has converted to its own use, and it is of interest to note that it does not know and the officers do not know what is the present condition of the Indian funds in their keeping. Every community bordering on Indian lands still has in it persons who are using every influence at their command to obtain official action, to the end that they may get possession of Indian lands. Great corporations maintain lobbyists and unprincipled agents with a view of getting concessions, leases, and legislation which are favorable to their own selfish purposes, but unfavorable to the Indian. * * *

I now proceed to detail some of the results of the trusteeship of the Indian Bureau over the property of the Indians.

The accessible facts are incomplete because the records of the Indian Bureau are incomplete and imperfect to a baffling extent. No comprehensive data of precise accuracy exists. The Indian Bureau, after 1928, ceased publishing its estimates of the Indian wealth as the result of criticisms which pointed out that about half of the total estimate was a mere guess, unsupported by statistical facts, while the other half was largely founded on statistical estimates, which had fluctuated excessively and were not consistent from jurisdiction to jurisdiction.

However, uncontroverted facts are at hand, accurate within a small percentage, and derived from records furnished by the Indian Bureau itself, and their effect is overwhelming. They show a reduction of the Indian estate by more than three-fourths since 1887.

FORTY-FIVE YEARS AGO AND NOW

I have examined reports of Commissioners of Indian Affairs covering many years, and they bring convincing evidence that the policies of the Government and the Indian Bureau have been injurious rather than beneficial to the Indians under the control of the Government. I have taken

at random the reports of J. G. C. Atkins, who was Commissioner of Indian Affairs in 1887. They would perceive that the Indians were better off in that year than they are today, notwithstanding the hundreds of millions of dollars expended allegedly in their behalf since then. This report could well serve as a model as well as a reproach to the present Commissioner of Indian Affairs and to the present Secretary of the Interior, as well as to Congress.

It is a careful, blunt, honest statement, and its narrative sections are supported by a mass of interesting statistics, tabulations, and comparative statements. The commissioner states that the total Indian lands in 1887 were 133,694,985 acres. I mention this because we are regaled by statements emanating from the Indian Bureau of the wonderful agricultural development of Indian lands and the excellent irrigation systems provided the Indians and the success achieved in teaching the Indians agricultural pursuits. The facts will show that their condition as agriculturists is worse than it was in 1887, before the Government had expended tens of millions of dollars for alleged agricultural development—expenditures which are to be continued in the present appropriation bill.

My information is that in 1930 the total area owned by the Indians was 47,000,000 acres. In other words, within a limited period their holdings have been reduced 65 per cent. Can it be contended that their interests were properly guarded when they suffered a loss so stupendous?

POPULATION THEN AND NOW

Commissioner Atkins reports that the Indian population under Federal jurisdiction in 1887 was 243,229. To-day the Indian population under Federal jurisdiction is but 194,000. I emphasize what I have heretofore stated, that the Indian Bureau under Commissioner Atkins expended but a little more than \$5,000,000 annually in caring for 243,229 Indians, while the present administration in the current fiscal year is spending largely in excess of \$24,000,000 for bureau maintenance alone.

I repeat that when there were more than 343,000 Indians under the care of the Government, and at a time when Vice President Curtis was chairman of the Indian Affairs Committee of the House the appropriations made for all of the activities of the Indian Bureau did not exceed \$6,000,000. Now, with the number of Indians under the Government's jurisdiction greatly reduced and the Indians in a worse condition than they were then, the Indian Bureau expends from \$25,000,000 to \$35,000,000 per annum, a portion of which comes from the Treasury of the United States and the residue from the diminishing tribal funds of the Indians.

As shown by Commissioner Atkins, the acreage actually cultivated by the Indians in 1887 was 237,265 acres, but as I have indicated, notwithstanding the millions expended by the bureau allegedly for irrigation projects and in behalf of the Indians, they are now cultivating but approximately 133,000 acres under all the projects. The irrigation projects initiated and carried forward by the bureau have cost more than \$54,000,000 gross, and will require more than \$30,000,000 for their completion. Later I shall discuss somewhat in detail the costs of these irrigation projects and the unsound and extravagant methods employed by the bureau in initiating, constructing, and maintaining the same.

Again referring to Commissioner Atkins's report, the excess of Indian births over deaths in 1887, as reported by the agency physicians, was 1.116 per cent. In the year 1926 the Indian deaths in the total registration area exceeded births by 200, an excess of deaths over births in the amount of six-tenths of 1 per cent.

The Indian death rate is higher than the death rate of the general population at the present time in the amount of 10 to 20 per thousand of population, varying by reservations, which means that it is twice as large as the general death rate. The continuing death and disability rates among the Indians are fully discussed in the printed hearings held on Senate Resolution 341 on February 25, 1927, and in the chapter on health found in the report on Indian administration by the Institute for Government Research. This report, as Senators know, was made at the request of

Secretary Work, by Mr. Meriam, Doctor Ryan, Doctor Edwards, and other persons of ability chosen because of their special qualifications. It was intended that the survey should deal particularly with the general conditions of the Indians, especially the conditions of their health, schools, and so forth. This report, which I have before me, consists of a large volume containing hundreds of printed pages and is a mine of information concerning the conditions of the Indians.

THE TRIBAL FUNDS CONSUMED SINCE 1887

Commissioner Atkins reports that in 1887 the tribal funds and Government cash liabilities to the Indians totaled \$28,778,931. At that time the Indians were entirely free from debt to the Government or to any organization or individual.

Now, though the tribal funds in the intervening years have been replenished in the amount of at least \$500,000,000, pursuant to treaties with the Government and through the lease and sale of tribal assets, the total amount of tribal funds to their credit is less than it was in 1887 and the Indians are owing, as claimed by the Indian Bureau, more than \$35,000,000 to the Government.

It is evident if the present policy of the bureau is continued the tribal funds owned by the Indians will be exhausted and with the loss of their lands most of them will inevitably be charges upon the Government. Instead of the Indians having been made an independent and self-sustaining part of our population they have been deprived of much of their property and denied opportunities to equip themselves to fit into their surroundings and into the economic life of our country.

Mr. President, let me briefly refer to some of the methods under which the Indian lands have been lost and trust funds dissipated.

As I have just stated, during the intervening years since 1887 there have been large accretions to the tribal funds which have gone into the general reservoir from which the bureau has annually drawn varying amounts, from five to ten million dollars, and as I have stated, millions of dollars in addition have been appropriated each year from the Treasury of the United States, which the taxpayers were compelled to meet. The appropriations from the Treasury, together with tribal funds belonging to the Indians, have been expended by the Indian Bureau to an amount of more than \$500,000,000 during the past 45 years. How little there is to show for this stupendous appropriation is manifest to those who have given even a superficial study to the condition of the Indians, over whom the Government is presumed to exercise a benign guardianship. I can only say that no inconsiderable part has been wasted and profligately expended. The results, to those who are interested in the Indians and in the good name of the Government and who desire to see it discharge its moral and legal obligations, must be exceedingly disappointing.

I shall now discuss more fully the dissipation and misappropriation of Indian wealth of all forms, which has taken place since 1887, and which is continuing unchecked.

THE SHRINKAGE OF INDIAN LANDS

In 1887, the Indians owned, under government trust, 133,695,000 acres. In 1930 they owned, under government trust, 47,311,089 acres.

The gross reduction of Indian land area was 65 per cent between 1887 and 1930. The actual reduction, in terms of surface values, was much greater. Of the residual lands, 18,600,000 acres were desert or semidesert lands in Arizona and New Mexico, unirrigable and without commercial timber, and 7,390,000 (at a minimum) were lands in Nevada, California, Montana, Wyoming, Idaho, and Utah, without commercial timber, not irrigable, partly semidesert and partly available for grazing, but not farming. The total of such land, whose surface value does not exceed \$2 per acre, was 25,990,000 acres, or 55 per cent of the remaining Indian lands. The diminishment of the surface value of Indian-owned lands from 1887 to 1930 can be conservatively estimated as 80 per cent. It is the more valuable lands which, through action by the Government itself, not of the Indians, as regards 95 per cent of the total of alienation, have passed

from Indian ownership. The controlling methods of alienation have been as follows:

First. Sales, nearly always under virtual compulsion, by the Indian tribes to the Government; the purchase price being paid into tribal funds and the resale price, after disposal to whites by the General Land Office, being paid into the Treasury of the United States. The total of such practically forced sales, from 1887 to 1930, was 56,444,911 acres. What total was paid to the Indians by the Government is nowhere summarized; the payment went to tribal funds under Government trust and has all been consumed by the Indian Bureau for its own maintenance and by per capita payments made to the Indians as described below. The total of resale price paid to the general treasury through the General Land Office from 1887 to 1929 was \$46,011,151; part of which sum represented the resale of Indian lands "ceded to the Government" prior to 1887. A substantial part of the lands sold (under duress) to the Government by the tribes is now contained within the public domain, the national forests, and national parks, not having been resold. (References: Statistical Report of the Commissioner of Indian Affairs for 1887; table of residual Indian lands as of June 30, 1930, unpublished, prepared by the Bureau of Indian Affairs; table of Public Land Office, showing cash receipts from the disposal of public and Indian lands to June 30, 1929; Winter's Four Hundred Million Acres, published 1932, p. 336).

Second. Sales by individual Indians who have received fee patents to allotted land, the purchase price being paid to individual unrestricted Indians.

Third. Sales by the Government itself, of allotted land held in trust and of the trust allotted land of deceased allottees, the purchase price being held by the Government in trust for individual Indians.

Through the second and the third methods which I have described, 29,939,000 acres of Indian land had passed to whites between 1887 and 1930. This total is furnished by the land office of the Indian Bureau, December 22, 1932; the same communication supplies details as to a part only of the alienations. Through fee patenting, subsequently to 1906, 4,853,700 acres of the Indian allotted land have passed out of Government trust and to a 98 per cent total, approximately, out of Indian ownership. Through sale by the Government as trustee, between 1903 and 1932, 3,657,902 Indian trust-allotted acres were sold to whites, the total receipts being \$37,698,613, paid into individual funds held in trust by the Indian Bureau. The balance of the 29,939,026 alienated acres, or 21,427,334 acres of allotted land, either was fee patented or sold through unsegregated transactions between 1887 and 1903, or was fee patented or sold through unrecorded transactions since 1903.

Mr. President, I digress to state that in my opinion the present commissioner and his assistants have not approved the accepted policy, which has resulted in the alienation of so much of the Indian lands. They have undoubtedly been bound by archaic laws and rules and regulations which they inherited from the past. I believe, however, that if these officials had emphasized the injurious consequences by which the Indians are losing their lands and had asked for legislation to correct the situation, Congress would have responded.

In brief, the Indians have lost, since 1887, 29,939,026 allotted acres, plus 56,444,911 acres of ceded and surplus land bought by the Government through practically forced sales; and the cash payments for the above, plus the cash derived from the lease and sale of mineral, oil, and other subsurface values, the sale of timber, and the lease of tribal and allotted surfaces, has likewise been consumed—consumed by the Indian Bureau for its own maintenance in the amount of more than \$150,000,000 since 1887.

THE ALIENATION OF HEIRSHIP LANDS

The remaining trust-allotted lands pass into the class of heirship lands at a speed necessarily increasing with each year; and it is only the collapse of the market for agricultural and grazing lands at any price which now saves many millions of heirship acres from passing to whites. In spite of the collapsed market the Indian Bureau has sold

to the whites, in the years 1930–1932, 224,792 acres of Indian allotted land for an average price of \$13.33 per acre. (Commissioner's report, fiscal years 1930–1932.)

Mr. President, Congress ought, before it adjourns, enact a law that will interrupt this destructive alienation policy which will inevitably result in all allotted lands in the very near future passing into the hands of white people.

Mr. SHIPSTEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. KING. I yield.

Mr. SHIPSTEAD. According to the Senator's statement, one would incline to the belief that it is almost as hard to be an Indian as it is to be a farmer.

Mr. KING. It is not difficult to understand the disadvantages under which the Indians labor and the failure of their guardian to properly administer their trust funds. No doubt the farmers, as the Senator indicates, have had their troubles. My sympathies go out to both the farmers and the Indians.

Mr. SHIPSTEAD. If the Senator will permit me, I think the Senator deserves a great deal of credit for bringing out these things as he has done in every session of Congress, calling the attention of the people of the United States to the shameful way in which our wards have been treated by the Government.

Mr. KING. I thank the Senator for his complimentary reference to my efforts in behalf of the Indians. I am afraid, however, that I have greatly irritated some Senators as well as other persons because of my persistent efforts for more than 10 years to protect the Indians and to bring about reforms in the Indian Bureau. I have believed that unless a radical change was made in the policies of the Government in dealing with the Indians, the latter would soon be dispossessed of all their property, and without homes or property would be a heavy charge upon the Government. I regret there is so little interest taken by Senators and by the public in the Indian question and in those matters affecting their welfare and development. I can not help but feel that the Government has been derelict in its duty toward the Indians and that it should now deal with this question in a just and humane way and try to rectify some of the wrongs that have been committed and prevent the inevitable disasters that threaten all the Indians of our country.

As I have stated, notwithstanding there has been no market for Indian holdings, the bureau has sold to the whites during the years 1930 and 1932, 224,792 acres of Indian allotted lands at an average price of but \$13.30 per acre. That fact is shown by the report of the Indian commissioner for the fiscal years 1930 and 1932.

INDIAN IRRIGATED LANDS SACRIFICED

As for the irrigated lands of the Indians, the acreage of these lands owned by whites increased in the amount of 96.2 per cent between 1924 and 1932; and in 1932, 69.1 per cent of all the irrigated land on Indian reservations was in white hands, either through lease or through ownership.

To Indians land is life. The annihilation of the Indian landed estate under the Indian Bureau system is a racial catastrophe—and moves toward its end with the swiftness of a catastrophe when viewed even in the short historical perspective of 45 years.

THE DESTRUCTION OF INDIAN CASH ASSETS

The cash derived from the sales of Indian land, from the payment of tribal claims under Court of Claims adjudications, and from the exploitation of Indian natural resources has been deposited in tribal and individual accounts under Government trust. These funds in the main have been and are properly a part of the corpus of the Indian estate, being to 90 per cent of their total nothing but capital values turned into liquid assets. But they have been and are uniformly treated as income, not capital, and are consumed each year by nonproductive uses.

I emphasize again the difference between Canada and the United States. There the capital of the tribes is not used. Here we are destroying the capital of the Indians,

and the result can not be otherwise than calamitous to the Indians.

In part these uses have been and are the salaries, houses, automobiles, and so forth, of Indian Bureau employees and other items of current maintenance of the Indian Bureau.

In part these uses have been per capita payments made to individual members of the tribes. With these per capita payments we must now deal. Not the fact of per capita payments but the manner of their administration by the Indian Bureau is one of the darkest of the continuing scandals of the Indian affairs system.

THE RUINOUS METHOD OF PER CAPITA PAYMENTS

The per capitas are paid into individual accounts under Indian Bureau trust. In Oklahoma these accounts and the affairs of the recipients of per capitas are under the joint control of the Indian Bureau superintendents and of the local guardians who are a peculiarity of the Oklahoma situation. Outside Oklahoma the control is with the bureau superintendency alone. In the case of ward adult Indians and of minors and orphans the control is arbitrary and unlimited, and in all cases it is practically unaccountable and unreviewable.

Per capita payments exceeding \$300,000,000 since 1912 have created only a negligible amount of capital value, and they have cruelly demoralized the Indian recipients. The reasons are well understood; and as they lie at the heart of Indian affairs situation, they are here stated.

First. Indian thrift is tribal; it is a conservatism and foresightedness of the community. The per capita payments have been made to individual Indians whose tribal and community life has been dismembered and, in a large number of instances, totally destroyed by the Government's deliberate and continuing policy. The detached Indian is typically not thrifty, foresighted, nor even a consecutive worker.

Second. Just as the tribal and community life has been dismembered or crushed and is still proscribed, so, equally, the individual Indians are prohibited from organizing in any of the modern manners for mutual aid, for the making of capital investments or the management of such investments when made.

Ward Indians may not enter into contracts except with the Secretary of the Interior's consent. He, practically, must become the contracting party in behalf of the Indian. Similarly, debts incurred by ward Indians are not legally collectible. The trust-administered properties are wholly controlled by the bureau. Any organization which the Indians may form exists only through bureau sufferance and subject to rules and regulations or arbitrary action of the bureau. The bureau by law "approves"—that is, selects—the attorneys who may represent the Indians. So on through scores of inhibitions whose total effect is that here described.

The Indians who receive per capita payments are wards of the Government and are subject to the laws prohibiting the making of contracts by or with the Indians, except with the consent of the Secretary of the Interior, and to all of the other restrictions of personal liberty and business enterprise elsewhere described in this memorandum, which constitute in their aggregate a denial of the constitutional rights to Indians. The Osage Indians, for example, recipients of royalties which aggregated \$243,138,671 from 1915 to 1932, are members of a tribe whose institutions have been proscribed by statute as in the case of other Oklahoma Indians; they are not possessed of any form of modern business organization nor, except under rules and regulations of the Secretary of the Interior which have never been forthcoming, can they become possessed of such organization. No Secretary of the Interior or Commissioner of Indian Affairs has at any time expressed a desire to extend such facilities to the Osage Indians either by regulation or by statute; the local interests of Oklahoma, which have battered upon the Osages, would furthermore have bitterly resisted such an attempt by the Secretary or commissioner if made. It has been intended and accepted that the Osages should dissipate their so-called income, which actually has been their capital. In the last three years the income from the depleted Osage oil field has collapsed.

Identical facts have held good of the per capita payments derived from whatever source by the Indians of the Five Civilized Tribes of Oklahoma and of the Menominee Tribe of Wisconsin, the Klamath Tribe of Oregon, and so forth.

THE INDIANS COMPELLED TO SPEND WASTEFULLY

A more sinister factor must now be mentioned. The per capita payments to individual Indians have, in an overwhelming majority of instances, been paid into accounts controlled by the Indian Bureau, or by the bureau in conjunction with the local guardians in the case of Oklahoma Indians. The management of the individual accounts thus created has been one of the major activities of the Indian Bureau in the jurisdictions with large individualized incomes. The procedures of the bureau and its superintendents have been, as they are, arbitrary to a practically unlimited extent. Indians have typically found that they could receive the cash from their per capita payments if they spent it as directed by the bureau agency or local guardian, and not otherwise. Hence, in large measure, the extravagances of Oklahoma Indians who have purchased expensive cars and magnificent houses; who have paid fantastic prices to lawyers, undertakers, and mercantile agencies of all varieties.

The above factors explain the dissipation of Indian capital values through per capita payments, and they indicate some of the basic structural faults of the Indian affairs system of to-day.

THE BUREAU HAS DEVoured THE TRIBAL TRUST FUNDS

Congress and the Indian Bureau have used the Indian capital assets for Indian Bureau maintenance, and the expenditures have been lavish. They have totaled more than \$110,000,000 since 1900, and this misappropriation of the Indian estate—its diversion to unproductive administrative uses—continues to-day and is eating up a larger proportion of the available liquid capital than in 1920 or 1910. The bureau used for its own maintenance (exclusive of per capita payments) \$30,930,540 of Indian tribal funds in the seven fiscal years 1926–32, inclusive. It used in the fiscal year 1932 76 per cent of the total tribal income of 1932.

No part of the Indian Bureau's trusteeship operation is more subject to criticism than its handling of the trust funds of the Indian tribes. These funds have totaled \$500,000,000 since 1887. They have consisted, to more than 90 per cent of their total, of capital values turned into liquid form: Cash derived from sales of land, from payment by the Government of judgments in the Court of Claims, from the sale of timber, oil, and minerals. A proper trusteeship would have adhered to the distinction between capital and income and would have reinvested the capital to conserve the principal of the estate.

The Indian Bureau has made no such distinction but has consumed or distributed, year by year, all of the capital values which it was able to convert into liquid shape. Never, either to the Indian Tribes or to Congress, has the bureau made an accounting for its use of these hundreds of millions of dollars. The records are imperfect and are not compiled. Suits for accounting by the Indian tribes would probably be defeated through the absence of records. But I have secured the exact facts for certain typical years and I now present them. They show, among other things, a deliberate and systematic deception of Congress in the matter of the uses of tribal funds on the part of the Indian Bureau.

THE INDIAN TRUST FUND RECORD SINCE 1926

The years which I shall deal with are the fiscal years 1926, 1927, and 1928. I omit prior fiscal years because the totals and the classifications of tribal-fund expenditures are not accessible. I omit the succeeding years because, beginning with the calendar year 1928, the Indian Bureau ceased to make to Congress even the meager reports on Indian tribal funds which it had previously made. The bureau in 1928 secured the repeal of the act of May 18, 1916 (39 Stat. L. 123–159), by whose terms the reporting of tribal funds to Congress had been mandatory. After reciting the facts as to the fiscal years 1926, 1927, and 1928, I shall deal with the fiscal year 1932.

The tribal-fund balance on July 1, 1925, was \$21,109,687. The tribal cash deposited in the Treasury from that date to July 1, 1928, totaled \$68,581,661. The cash balance of July 1, 1925, added to the deposits of the three years thereafter, made a total of \$89,691,348.

The balance of tribal funds on July 1, 1928, was \$24,056,226. In other words, the bureau through these years consumed or disbursed the whole of the so-called tribal income—of tribal capital converted to liquid form.

Now I call attention to a fact which is duplicated in every fiscal year down to and including the present.

The act of May 18, 1916, whose repeal was secured by the Indian Bureau in 1928, required the bureau, in reporting to Congress on tribal funds, to state what amounts it proposed to disburse from tribal funds in the fiscal year in question. The bureau did so state, dividing its proposed expenditures into per capita payments to the Indians and payments from tribal funds for Indian Bureau support.

In the three fiscal years whose record I am now reciting, the bureau informed Congress that it was spending, or was proposing to spend, for its own salaries and other bureau costs, a total of \$4,359,100 from tribal funds. And in no one of the reports for any of the fiscal years in question does the bureau divulge what it was actually spending, and had spent, and was intending to spend, for its own maintenance, from tribal funds.

The actual expenditure of the Indian Bureau for its own maintenance, taken from tribal funds, in these three fiscal years, as revealed by the reports of the Comptroller General, was not \$4,359,100, but \$12,803,449. The bureau's overdraft against tribal funds, taken by it and spent for its own sustenance, exceeded the acknowledged amount, in these three years alone, by \$8,444,399.

At this point I may state the total which the Indian Bureau has taken from the Indian tribal capital and spent for its own maintenance since 1926. In the seven fiscal years, 1926-1932, the bureau thus expended—misappropriated, as I think—\$30,930,539 of the Indian tribal assets. In the fiscal year 1932, the total of Indian assets which the bureau was able to convert into cash was only \$4,015,278, and of this sum the bureau used, for its own salaries and maintenance, \$3,068,608, or 76 per cent of the total. There remained, of Indian tribal funds for all tribes, after the proposed expenditures from these funds for the fiscal year 1933 had been deducted, only \$11,591,215. But as I have already explained, the bureau in the case of 99 out of the 103 tribes possessing tribal funds took for its own uses, in 1932, more than twice the entire tribal income of that year, and reduced the funds of these 99 tribes to \$5,236,944.

Thus, with the diminishment of Indian wealth under bureau ministration, and with the diminishment of the bureau's ability to turn Indian assets into cash, the point has at last been reached where the Indian Bureau—the trustee—is devouring for its own salaries and upkeep more than 76 per cent of the Indian tribal cash, leaving less than 24 per cent for the Indian owners of the money, and in the case of 99 of the tribes is devouring the whole income, leaving nothing for the Indians themselves, and actually putting them into debt to the Government for the Indian Bureau's salaries.

The fiscal year 1933 probably will bring the Indian Bureau's consumption of the total of tribal cash to 100 per cent; the Indians will get nothing at all, and the bureau will proceed to consume the pittance which remains of tribal funds.

THE WASTAGE OF INDIAN NATURAL RESOURCES

Third. I refer now, Mr. President, to the natural resources of the Indians. Under pressure of exploiting interests, and in order to obtain revenue for its own use and those per capita payments for Indians which are promptly devoured by the local white communities as above described, the Indian Bureau has steadfastly pursued a policy of getting immediate revenue through exploitation of oil and gas, timber, and agricultural and grazing land, tribal and allotted, without up to the last three or four years even professing to be concerned with the husbanding of the

properties. On the contrary, it was a definitely stated policy of the Indian Bureau, as voiced by an important official of the bureau in 1919, to liquidate the Indian properties at an early date. The frank testimony on this point, given before the Indian Investigation Committee of the House of Representatives, had immediate reference to the Indian forests but was a deliberate statement of general policy toward Indian natural resources.

The professions of the conservationist have been made by officials of the Indian Bureau since 1929, but the facts of record have not at any point supported their professions. Reference is here made, for purposes of definiteness, to the reports of the Senate subcommittee on Indian investigation, dealing with the timbered reservations of the Klamaths in Oregon and of the Mescalero Apaches of New Mexico and other reservations possessing natural resources.

Subsequently to making its report on the Klamath Reservation and on the devastations proceeding at that reservation in 1930, the Senate subcommittee has accumulated hundreds of pages of testimony, which drives any unprejudiced reader to the conclusion that the forestry division of the Indian Bureau is in practice the agent of lumber companies and while sheepmen, indifferent not alone to timber and soil conservation but to the plain obligations resting upon the Government as trustee.

A CONCRETE CASE OF PRESENT MISUSE OF INDIAN FUNDS

I refer, Mr. President, in support of this statement to the printed hearings, volume 13 and volume 22 of the special committee headed by the Senator from North Dakota [Mr. FRAZIER], and also to the report, submitted by that Senator on December 22, 1931, in which serious criticism is directed against the bureau for its handling of the timber reserves. I ask permission to have inserted in the Record a number of excerpts from that report, and I shall indicate to the reporter the excerpts to be inserted.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, that order will be made.

The excerpts referred to are as follows:

On a previous occasion, when reporting on the Klamath Agency of Oregon, the subcommittee pointed out that the tribal estate of many of the Indians, turned into cash through the sale of natural resources, is being rapidly exhausted by the Indian Bureau.

The Mescalero Apache Reservation of 472,200 acres is occupied by 696 Apache Indians. Its chief values are its timber and its grazing range. At the time of the subcommittee's hearings (May 4, 1931) a meager ration was being supplied to 31 of their aged and infirm Indians. The Indian Bureau provides schooling on the reservation for 107 Apache children and an additional 17 attend public school; 38 children from the reservation are at distant boarding schools. A hospital is maintained by the Indian Bureau with an average attendance, as stated to the subcommittee at the hearings, of 12 to 14; but in addition to his duties at the hospital the doctor answers sick calls from the Indians.

The Indian agency's activities in the matter of Mescalero Apache property have to do (a) with the timber, and (b) with the livestock, particularly the tribal herd, which has dwindled from 7,500 in 1928 (House appropriation hearings for 1930, p. 1205) to 3,000 in 1931. The timber income and tribal-herd income alike are absorbed by the expenses of the agency. In addition, \$10,000 from the tribal fund was spent for water development in 1930 and \$10,000 in 1931. The income from the sale of timber has been, through each successive year, used up by the Indian Bureau for administration. The income from leases of tribal lands has been similarly used. The income from the rapidly diminishing tribal herd likewise has been used for Indian agency maintenance. The whole tribal estate, in practical effect, with the exception of the area used for grazing 1,000 head of cattle, 18,000 sheep, and 10,000 goats, is treated as belonging to the Indian agency, not to the Indians, and its yield of income and principal are being consumed in agency salaries and other Indian agency costs.

The reservation superintendent, Mr. P. W. Danielson, when testifying before the subcommittee on May 4, 1931, repeatedly affirmed that the total of tribal funds annually used by the agency was \$55,000. Reference, however, to the Indian Bureau's detailed reports of expenditures established that the bureau's draft against the Mescalero tribal fund has fluctuated between \$70,000 and in excess of \$110,000 through successive years. (House appropriation hearings, Interior Department appropriation bill, p. 704.) In addition, the bureau has obtained from Congress a gratuity appropriation for this reservation of \$64,309 for 1928, \$76,186 for 1929, \$97,661 for 1930, and \$87,390 for 1931. In the fiscal year 1930 the total expenditure at the Mescalero Apache Reservation was \$208,436.22. The tribal funds used by the Indian Bureau in 1930 totaled \$110,774. (House appropriation hearings, Interior Department bill, fiscal year 1932, p. 704.) The per capita expenditure, nominally in behalf of each Indian then resident on the reservation, was \$306. Out of the tribal fund there was contributed for

each Indian \$163 to the maintenance of the Indian agency, and the Government, through gratuities, contributed an additional sum of \$143 per capita. Indian agency salaries, as distinct from irregular labor, totaled \$70,280, or \$103 for each Indian, according to the tabulation of expenditures for 1931, which was made a part of the subcommittee's hearings at the Mescalero Agency.

Indians have been led to believe that they are tax exempt, but the Mescalero Apaches are not tax exempt in the sense that their tribal funds are used for the purpose of the agency administration. If the American people as a whole paid an average per capita tax equal to the per capita contribution of the Mescaleros to reservation costs in 1930, the tax fund would total more than \$20,000,000 a year. If Government in all its branches, national and local, were supported as lavishly, on a per capita basis, as is the Indian agency on the Mescalero Reservation, the tax fund would total more than \$36,000,000,000, or more than a third of the aggregate national income.

It has been stated above that the Mescalero Apaches received, in return for their heavy contribution, supplemented by the Government's heavy contribution, but little of tangible service from the Indian Bureau. More than three-quarters of a million dollars of Mescalero Apache trust money has been used by the Indian Bureau in 10 years. There are fewer than 700 Indians. The large expenditures, as explained above, do not represent per capita or other cash payments made to the Mescalero Indians, except that in 1930 \$22,013.12 of tribal funds was loaned to individual Indians and applied on their store debts; hence it can not be asserted that the Apaches have squandered their money. As one example of conditions on the reservation, the subcommittee found, within a quarter mile of the agency headquarters, an Apache woman more than 80 years old. This old woman was one of the 31 receiving, twice each week, a small ration paid for from the tribal fund. Her home was a set of poles with a canvas around the poles, and when it rained the rain came in. The place was not ditched, and for weeks before the subcommittee's arrival, this old woman had been living in a sea of mud and water. The bureau's field matron, under questioning, admitted that she had not visited the place or sought to help.

The subcommittee points out that it does not favor uncontrolled per capita payments from tribal income, but that the tribe's income should be used for the industrial advancement of the tribe's members instead of being used for the support of the Indian agency in unproductive ways.

The evidence adduced at the hearings at Mescalero through Indian and Indian Bureau testimony alike showed that the Indians are practically denied the use of most of their reservation, and denied the advantages of their reservation's income; are burdened with impossible debts, part of them for improvements needed by the general community of whites; and are forced to carry an immense burden of Indian agency salaried employees. The agency witnesses testified that for the tribal herd of 3,000 head, the agency was employing a supervisor and seven other salaried employees. The evidence further disclosed that for overseeing the timber, although no timber operations were in progress, and specifically for supervising the sale of timber, although the sale of timber had ceased the preceding year, the agency was employing a forest supervisor, a senior ranger, a forest ranger, and two timber scalers on an all-the-year basis. An Indian agency pay roll of \$70,280 for salaries as distinct from irregular was being maintained in 1931. The committee believes that the work of this agency as well as every other agency visited could be conducted with fewer employees. This is particularly true of the forestry department of the Indian Bureau where the overhead expense to the Indians is far beyond what it should be. The Indians' timber is being squandered on a lot of high-priced employees while the Indians are going without sufficient food and clothing. Every Indian on a reservation that has a timber reserve should be encouraged to build himself a good home and should be furnished lumber and advice and help in building it.

Generally speaking there are too many subagents and too many farmers, too many foresters, too many scalers, and too many so-called experts, and too little good for the Indian has been accomplished. The Indian Bureau is a good example of bureaucracy gone mad.

The subcommittee has dwelt at some length on the Mescalero Apache tribal fund and agency financial records because in its essentials this record typifies the situation at reservations where the Indian Bureau uses Indian trust moneys.

The use of Indian tribal funds for Indian Bureau maintenance, and without regard to Indian wishes or to the duty of conserving the Indian property and building it up, is causing the rapid impoverishment of the Indian tribes without even, in the typical and more numerous cases, saving money to the United States. This conclusion becomes evident as soon as the Indian Bureau's expenditures at reservations with large tribal funds or tribal incomes are compared with its expenditures at reservations without large tribal funds or tribal incomes, where expenditures must be made from gratuities which are effectually controlled by Congress. From the tabulation of the expenditures of 13 reservations, appended to this report, the following facts are pointed out as examples:

The New Mexico Pueblos are administered through gratuities. They receive, according to the subcommittee's observations, when compared (for example) with the Mescalero Reservation and the Klamath Reservation previously reported on, an intensive and efficient human service, and their properties for several years past have been reasonably safeguarded by the Government. Omitting

reimbursables, the Pueblo cost per capita in 1930 was \$38.40—\$36.70 gratuitous and \$0.70 tribal. The Navajo and Hopi Reservations are administered principally through gratuities. The total per capita in 1930 was \$47.70—\$42.70 gratuitous and \$5 tribal. The California Mission Indians receive a comparatively intensive service—educational, medical, and social. Their per capita cost in 1930 was \$50.40, of which all except \$0.40 was gratuitous. For the whole of California, outside Yuma (18,509 of the 19,197 Indians) the total per capita expenditures in 1930 was \$24.55, of which \$24 was gratuitous. For the Pimas, numbering 4,449, the total per capita was \$42.50, of which \$39 was gratuitous.

In striking contrast are the reservations having substantial tribal funds or tribal incomes. At Mescalero, as already pointed out, the gratuitous expenditure per capita was \$143 in 1930, and to this gratuitous amount, so large in comparison with the above examples, there was added a tribal fund expenditure of \$163 per capita. At Jicarilla, to a gratuitous per capita of \$131 there was added a tribal fund per capita of \$102. For the Colorado Utes, to a gratuitous per capita of \$92 there was added a tribal fund per capita of \$94. Exceptions, as noted in the appended tabulation, are the Osages, the Klamaths, and Menominees, where the heavy per capita expenditure is levied chiefly against tribal funds.

The subcommittee has stated above that at the Mescalero Apache reservation it found not a superior, not a more generous service to the Indians, as a result of the very large expenditures, but instead, that it found a meager and deficient service. Previously, the same state of affairs at the Klamath Reservation has been described by the subcommittee. The subcommittee in its many hearings on the reservations has found it to be almost uniformly true that the Indians who are surrendering tens, even hundreds of thousands a year from their tribal funds in payment for agency services and in whose name large gratuities also are being spent, are no more served, and no better served, than those living on reservations dependent on gratuities.

In sum: The subcommittee finds that the past and continuing use of tribal funds by the Indian Bureau is of little benefit to the Indians. It means, if continued as at present, the ultimate dissipation of the Indian estate, with no human gains to the Indians and not even a saving of expense to the United States. That the policy of to-day is not different from that of earlier days is shown by a comparison of the totals of tribal funds from the four Apache Reservations, asked for and secured in the fiscal year 1930 and the fiscal year 1932, for "general support and administration." (As explained above, the actual expenditures from tribal funds have been larger.)

The comparison follows:

	1930	1932
San Carlos Apache.....	\$89,300	\$107,500
Fort Apache.....	135,300	143,900
Mescalero Apache.....	55,000	55,000
Jicarilla Apache.....	60,000	60,000
Total.....	339,600	366,400

The showing is in fact more serious than the above comparison on its face would indicate. Since 1930 the chief source of replenishment of the funds of three of the four Apache Reservations has diminished or stopped altogether with the decline of the lumber market. At the Jicarilla Reservation the stoppage is permanent, all the timber having been now cut over; there will be no new timber income for 50 years or longer, according to the testimony of the superintendent of this reservation given at the subcommittee's hearings at the Jicarilla Reservation. The present policy, if it continues, means the complete destruction of many of the tribal funds at a very early date. It is a situation which as a whole calls for the immediate attention of Congress.

Respectfully submitted.

LYNN J. FRAZIER,
Chairman.
BURTON K. WHEELER.
ELMER THOMAS.

WASHINGTON, D. C., December 22, 1931.

Mr. KING. Mr. President, the wealth of all Indian tribes has been and now is steadily and rapidly dwindling except in the case of those tribal Indians on reservations in the Southwest, who are (a) unallotted and (b) still permitted to function through their own corporate institutions—I refer particularly to the New Mexico Pueblos—with some help from the Indian Bureau, and, in the case of the Navajos, with important help from the Indian traders. It happens that these intact groups of Indians do not possess natural resources inviting the exploiter; although the record of Navajo oil leasing, which was discussed at considerable length at the last session of Congress, requires correction of this statement, while the record of spoliation of Pueblo Indian lands, and of the present effort by the Indian Bureau to prevent the payment of compensation to the Pueblos for lands lost through Government dereliction, appears likewise to form an exception; even these tribes

have seen their capital assets mishandled by the bureau in current years.

Other isolated exceptions are found on reservations containing no covetable natural resources, whose physical structure has made land allotment impossible; for example, the Cherokee Tribe of western North Carolina, now that the effort at forced allotment of this tribe's lands has been blocked, is in a situation comparable to that of some of the Pueblos.

THE DESTRUCTION OF INDIAN LIFE WHICH ACCOMPANIES THE DESTRUCTION OF INDIAN WEALTH

The recital of the destruction of Indian wealth (an unabated destruction) should not omit the consideration, ultimately more important, of that destruction of Indian ambition, industry, hope, self-respect, and generally of Indian human values, which has proceeded incidentally to the spoliation of the Indian property. I repeat my words used on the floor of this body on April 11 last:

* * * There has been a destruction of intangible assets no less striking. Most important among these has been the discouraging, indeed, the systematic repression and destruction, of tribal organization and tribal ambition. Individual initiative has been discouraged if not prohibited. The bureau has proceeded on the principle that the Indian should do nothing for himself which a paid employee of the Government conceivably might do for him. The Indian, though struggling to farm under irrigation projects, has been denied access to credit under conditions which would make success in agriculture impossible to any white man. This fact was recognized and clearly stated by Secretary Work in his annual report for 1927, but to the present date nothing has been done to remedy the situation. Neither the present Secretary of the Interior nor the Commissioner of Indian Affairs has suggested any plan to meet this situation. The Indian has been trained to expect to fail; a sense of inferiority has been forced on him by the multifarious tutelage in which he has been held, by the failures due to artificial restrictions and handicaps to which he has been foredoomed. A sense of hopelessness has been created by the spectacle of the steady melting away of all his material wealth through actions by a guardian from whom he, an Indian ward, could not even take refuge in the courts. * * *

THE BUREAU'S \$53,000,000 IRRIGATION SYSTEM

Mr. President, it had been my purpose to deal extensively with the subject of Indian irrigation projects. A total of \$53,151,698 belonging to the Government and the tribes has been invested in these projects, and after deducting all repayments by irrigationists to the Government and the tribes, there stands a net investment of \$47,013,259. The net cost per irrigated acre, to the Government and the tribes, stands at \$109 when the projects as a whole are considered; and to this cost must be added the cost to the irrigationists of preparing the land for the use of water, which exceeds \$30 an acre on the average. The average value of this irrigated acreage is less than \$60. Only 133,134 acres within all the projects are irrigated by the Indians. Within these projects, 191,423 acres formerly owned by Indians are now owned by whites, and 106,751 Indian-owned acres are leased by whites. White ownership of irrigated lands within the Indian projects has increased 95 per cent since 1924, and the Senate Indian Investigation Committee, reporting on January 10, last, found that substantially the entire Indian ownership of allotted lands within the Indian system will have been extinguished, and all the lands will have passed to white owners, within a brief period, unless reforms shall be instituted in the Indian Bureau's irrigation division and in the allotment system of the bureau.

Owing, however, to the limitations of time, I shall omit a proper discussion of these Indian irrigation projects, but shall endeavor to bring the matter to the attention of the Senate before adjournment. I shall, however, briefly call the attention of the Senate to one important feature in the situation. I do this because it sheds a flood of light on the policies and the results of the Indian Bureau in their entirety and points the way toward new policies, not only in Indian irrigation but in Indian administration as a whole.

INDIAN IRRIGATION AGAINST INDIAN BUREAU IRRIGATION

The Indian investigation committee of the Senate made, on January 11 last, an important report on Indian irrigation and related matters. Among the committee's recommendations is the one which I shall quote, as follows:

That the minor projects of Indian irrigation, summarized in group 2, Table 2, of the present report, shall continue to be administered by the local superintendencies of the Indian Bureau and the Indians themselves, with technical advice and assistance, as required, from the Reclamation Service of the Interior Department.

The table which is referred to by the subcommittee is of peculiar interest. This table sets up a comparison between two groups of the irrigation projects on Indian lands. Group 1 consists of the 29 projects built and administered by the irrigation division of the Indian Bureau, and group 2 consists of the 40 projects built and administered by the Indians themselves or by the local superintendents in cooperation with the Indians.

The group 1 projects, built and maintained by the Indian Bureau, represent a net cost to the Government and the Indian tribes of \$39,959,546. The group 2 projects represent a net cost of \$1,224,622.

Under the Group 1 projects, a total of 2,865 Indians are farming. Under the Group 2 projects, a total of 2,950 Indians are farming.

Under the Group 1 projects nearly three-fourths of the irrigated acreage is owned or leased by whites; while under the Group 2 projects only 3.9 per cent of the acreage is irrigated by whites.

The net cost, per irrigated acre, under the Group 1 projects, is 55.3 per cent greater than is the net cost per irrigated acre under the Group 2 projects.

The committee's report analyzes and explains these remarkable contrasts, and the results are overwhelmingly favorable to the Group 2 projects—projects which the Indians themselves, or the Indians in cooperation with their local superintendents, have built and now continue to maintain.

I call attention, however, to the fact that the overwhelming bulk of the Government's expenditures have been made in the Group 1 projects, built and maintained by the Indian Bureau's irrigation division. These Group 1 projects have devoured a gross investment of \$45,924,912. On previous occasions I have stated to the Senate the details of some of the projects falling under Group 1—details of fantastic extravagance, and of infinitesimal results.

I have mentioned this item in the important report of the Senate's Indian Investigation Committee, with the object of bringing into the focus of the Senate's attention that error which, in my judgment, is at the very foundation and heart of the Indian Bureau system.

THE INDIAN BUREAU'S FUNDAMENTAL ERROR

It is the error of taking away from the Indians both the power to act for themselves and the responsibility of acting for themselves. The bureau, increasingly through each year for the past 45 years, has proceeded in building up its centralized, overmanned machinery and personnel, with the effect of sucking out of the Indians their very life energies, and of charging enormous costs against the Government and the tribes, and of achieving a bureau system whose irresponsibility and inefficiency have become more and more extreme until at present the bureau, in most of its operations, appears as a conglomeration of destructive, and very expensive, operations unconnected with the real life and need of the Indians. The bureau, divorced from the purposes which brought about its creation, has reached the point where the Indians are almost forgotten and the bureau is its principal excuse for being.

I have dwelt upon the report of the investigation committee because it shows that even in a technological matter such as irrigation and reclamation is, or should be, the bureau has proved itself to be infinitely inferior in capacity to the Indians themselves. I wish that the Senators would examine this important report by the investigation committee, and I earnestly hope that the report will be given consideration by the new Secretary of the Interior.

INDIAN IRRIGATION SYSTEMS CENTURIES OLD

The history of Indian irrigation provides, as it were, a symbol and an embodiment of the history of the Indian Bureau. The pioneers of irrigation in the United States

were the Indians themselves. When the white man came to America he found more than 100 Indian tribes farming under efficient irrigation systems built and maintained by the Indians through cooperative labor. These tribes were not only the Pueblos of New Mexico, whose irrigation systems the Indian Bureau has not yet destroyed, and which are at least a thousand years old.

When the Spanish missionaries entered the region which is now Arizona, they found numerous tribes, not Pueblos, practicing a highly efficient irrigation. Concerning the Pimas, the Jesuit missionary, Father Eusebio Kino, wrote in 1709 to the King of Spain: "They have very rich and fertile lands abounding in wheat, maize, beans, groves, and so forth." But not only were the Pimas at that date farming by irrigation. The valleys of San Pedro and Santa Cruz, in Arizona, were inhabited by a now extinct people, the Sobaipuris. The Sobaipuris numbered 4,500, and as Bolton, the historian, reports: "All of these Indians were then practicing agriculture by irrigation, and raising cotton for clothing, and maize, beans, calabashes, melons, and wheat for food." Likewise, the Papagos, when the Spaniards came, were found to be irrigating. The Indians along the Colorado River were farming in a manner identical with that familiar for thousands of years in the Nile delta of Egypt. Even at the date of the American Civil War, the Pima Tribe, under its ancient irrigation ditches, was producing large surplus crops, which supplied a portion of the food of United States troops in Arizona during the war.

While I have not examined the archaeological findings, I am able to report, as a fact of Indian Bureau record, that many other tribes, outside of the Southwest area, were farming under efficient irrigation systems at a date prior to the beginning of irrigation construction by the Government in the areas where these Indians resided. Among the tribes outside Arizona and New Mexico who were thus farming were the Uintah and Ouray Tribes of my own State, and the Flathead Tribe of Montana.

These ancient irrigation enterprises, Indian-built and Indian-operated, cost the Government nothing at all. They were built and maintained through the cooperative labor of the tribes. The lands which they watered were fertile, and the tribes were self-maintaining under their irrigation systems. I may add that, in regions to the south of the Rio Grande, the Indians, before the coming of the white man, had carried their irrigation projects forward to a high degree of technological competition and perfection so that populations, dense even according to modern standards, were subsisting through Indian-built irrigation systems on the Mexican plateau.

THE BUREAU DESTROYED THE INDIAN SYSTEMS

What would have been the practicable, economical, statesmanlike policy of the Indian Bureau in the light of these facts? It would have been that identical policy which is now recommended, as a policy of reconstruction and salvage, by the Senate's Indian investigation committee. The Senate's committee finds that even to-day, the Indian-built and Indian-operated irrigation projects are very much more economical, more fertile, and more beneficial to the Indians than are the projects built and operated by the Indian Bureau.

A wise and humane policy, if it had been instituted 30 years ago, would have predicated itself upon the well-established and far-extended irrigation activities of the Indian tribes as of that date. The tribal operations would have been supplemented by such technological help as the tribes might need, and those tribes not yet farming by irrigation, but living in areas where irrigation was advantageous, would have been led to adopt methods similar to those of their fellow Indians who had so long farmed by irrigation.

The Indian Bureau adopted exactly the opposite policy. There were large tribal funds available for expenditure, and the Indian Bureau plunged into the most reckless spending of these funds; and in so doing it projected and built enormous irrigation systems which enveloped and destroyed the existing Indian irrigation systems. These bureau-built systems in nearly all cases were planned and constructed with-

out reference to economic demand. In many cases, as repeatedly told in the report of the irrigation advisors to the Secretary of the Interior in 1928, the projects were built without due consideration of water supply, so that no water was available for the ditches when built. In still other cases soil conditions were ignored, just as the bureau has continued to ignore them. The San Carlos Apache Reservation presents a contemporary case, where a large investment of Indian tribal funds was sunk by the Indian Bureau in an extensive irrigation project on soil later found to be entirely worthless because of its alkali condition. I am informed that on the Pima Reservation within the last two years irrigation projects costing hundreds of thousands of dollars have been found largely useless because they were placed in areas where the soil did not justify irrigation. In still other cases the bureau expended millions of dollars for irrigation systems in regions where the precipitation was adequate for dry farming, and, again, in regions where the growing period was too short to permit of farming. Among the last-mentioned cases are the Blackfeet and Klamath projects, which I discussed last year.

In addition to thus ignoring the Indians' own irrigation systems, and in addition to physically destroying these systems, the bureau ignored the tribal organizations which through previous decades and centuries had built and maintained the irrigation systems. In other words, the bureau ignored and in many cases deliberately obliterated the social and economic institutions which, when the bureau started its own enterprise, were taking care of the Indian irrigation needs with no cost to the Government.

And added to these mistakes and follies, if not wrongs, the bureau proceeded to allot Indian lands within the irrigation projects with the result of forcing the rapid alienation of these lands through sales to whites and the leasing to whites of such lands as were not alienated.

THE FUTURE IRRIGATION POLICY

These historical facts, which I merely summarize and which are recited through hundreds of pages of the report of the Committee of Irrigation advisors, are of importance because they have an immediate bearing on future policy. It is of tremendous importance that the Indians themselves are even to-day proving to be more efficient as builders and operators of irrigation systems than is the Indian Bureau. The future policy, equally necessary for governmental economy and for the tribal and individual development of the Indians, must be one of vesting in the Indians themselves the responsibility for their irrigation systems, with help from their local superintendents and with such technological help as may be necessary to be furnished by the General Reclamation Service.

The irrigation division of the Indian Office should be abolished and its functions as an overhead agency should be transferred to the General Reclamation Service, and the detailed administrative functions affecting the more than 100 Indian projects should be shifted back into the reservations themselves and wherever possible placed under control of the tribal councils, the superintendents always being expected to cooperate with the Indians in their agencies.

I have dwelt upon this phase of the irrigation situation because it shows how the Indian Service, in its totality, must be reorganized. I have repeatedly contrasted the Canadian and Mexican Indian policies and results with those of our Indian Bureau. The contrasts are striking at many points, but nowhere so striking as in the emphasis placed by Canada and Mexico on Indian self-help. These countries appear to be straining every nerve and exhausting their technical resources to permit and help and even to compel the Indians to support their own lives, to chart out their own destinies, to bear their own burdens, and to stand on their own feet as groups and as men. The whole effort of our Indian Bureau has been and is exactly the opposite. The bureau seeks to dictate Indian destiny. The bureau seeks to do for the Indians all that in their history they have done for themselves. The bureau methodically tries to multiply the paid jobs held by white men in order to do for the Indians, or to pretend to do for them, everything

which normal, self-respecting men and communities do for themselves. Hence the limitless appetite of the Indian Bureau for appropriations to pay its employees. Hence the denial to the Indians of legal status and of legal rights and the facilities for individual and cooperative self-help. There can be nothing but increased wastes to the Government and increased destructions of Indian property and utter final demoralization for the Indians on the lines which our Indian Bureau is still apparently determined to pursue.

There is an economy of many millions a year to the Government, and there is hope and renewed life for the Indians on those lines, which reverse the present policy of the bureau, which are so well exhibited and demonstrated by the facts which I have cited about Indian irrigation.

CONCLUSION

Mr. President, there is much more that should be said in connection with this important question and other features of the Indian problem presented for the consideration of the Senate and brought to the attention of the public; but I have already occupied so much of the time of the Senate that I must pretermit any further discussion. My object in presenting these matters is to challenge the attention of the bureau officials and those who are interested in the welfare of the Indians to the importance of the Indian problem, the derelictions of the Indian Bureau, and the imperative necessity of policies being adopted and measures enacted that will save the Indians and protect the remnants of their property from spoliation and destruction. Moreover, it is my desire that the new administration will take cognizance of the matters which I have discussed and will resolutely address itself to remedying an intolerable condition which has been so unfair and unjust to the wards of the Government. Legislation should be enacted that will completely reorganize the bureau and compel the abandonment of policies which have been so injurious and harmful to the Indians, and the adoption of measures that will bring succor and relief and protection and salvation to the Indians under the jurisdiction of the Government. The inefficiency and tyrannous bureaucratic system which now prevails and which controls the Indians must be destroyed.

The PRESIDING OFFICER (Mr. Fess in the chair). The clerk will report the pending amendment.

The CHIEF CLERK. On page 18, line 10, after the word "Oregon," it is proposed to strike out "\$10,000" and insert "\$20,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 19, line 16, before the word "of," to strike out "\$315,000" and insert "\$373,000" and in line 20, after the word "Indians," to insert "and not to exceed \$2,500 may be used, in the discretion of the Secretary of the Interior, for paying in whole or in part expenses of Federal, State, or county extension agents and home-demonstration agents or specialists in extension work detailed for cooperative work in the Indian Service," so as to read:

For the purpose of developing agriculture and stock raising among the Indians, including necessary personnel, traveling and other expenses, and purchase of supplies and equipment \$373,000, of which not to exceed \$15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians, and not to exceed \$2,500 may be used, in the discretion of the Secretary of the Interior, for paying in whole or in part expenses of Federal, State, or county extension agents and home-demonstration agents or specialists in extension work detailed for cooperative work in the Indian Service.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. I desire to offer an amendment on page 15 by striking out part of line 8 and all of lines 9, 10, and 11. I presume that that may not be done at the present time?

The PRESIDING OFFICER. The amendment would not be in order at this time under the unanimous-consent agreement.

Mr. SMOOT. Under the agreement which has been entered into, committee amendments are to be considered first;

but there are not many amendments, and probably the Senator's amendment may be offered in a short time.

Mr. KING. I thank my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 21, line 24, after the figures "\$75,000," to insert "Klamath, Oreg., \$3,000," and in line 25, after the words "in all," to strike out "\$140,000" and insert "\$143,000," so as to read:

Industrial assistance (tribal funds): For the construction of homes for individual members of the tribes; the purchase for sale to them of seed, animals, machinery, tools, implements, building material, and other equipment and supplies; and for advances to old, disabled, or indigent Indians for their support, and Indians having irritable allotments to assist them in the development and cultivation thereof, the unexpended balances of the appropriations under this head contained in the Interior Department appropriation act for the fiscal year 1933, and the act of June 27, 1932 (47 Stat. 335), are hereby continued available during the fiscal year 1934, together with the following amounts payable from tribal funds on deposit in the Treasury: San Carlos, Arizona, \$50,000; Kiowa, Comanche, and Apache, Oklahoma, \$75,000; Klamath, Oregon, \$3,000; Truxton Canyon, Arizona, \$15,000; in all, \$143,000.

The amendment was agreed to.

The next amendment was, under the subhead "Education," on page 33, line 23, after the name "Texas," to insert a colon and the following additional proviso: "Provided further, That \$6,000 of this appropriation shall be used for aid of the public-school districts of Uintah and Duchesne Counties, Utah," so as to read:

For the support of Indian schools not otherwise provided for, and other educational and industrial purposes in connection therewith, including tuition for Indian pupils attending public schools, \$3,590,800: *Provided*, That not to exceed \$15,000 of this appropriation may be used for the support and education of deaf and dumb or blind, physically handicapped, or mentally deficient Indian children: *Provided further*, That \$4,500 of this appropriation may be used for the education and civilization of the Alabama and Coushatta Indians in Texas: *Provided further*, That \$6,000 of this appropriation shall be used for aid of the public-school districts of Uintah and Duchesne Counties, Utah.

The amendment was agreed to.

The next amendment was, on page 36, line 2, after the word "improvements," to strike out "\$203,000; in all, \$475,600" and insert "\$192,000, to be immediately available; in all, \$464,600," so as to read:

For lease, purchase, repair, and improvement of buildings at Indian schools not otherwise provided for, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, \$272,600; for construction of physical improvements, \$192,000, to be immediately available; in all, \$464,600.

The amendment was agreed to.

The next amendment was, on page 36, line 7, after the name "New Mexico" and the colon, to strike out "Eastern Navajo, repairs to school building, \$11,000," so as to make the proviso read:

Provided, That not more than \$7,500 out of this appropriation shall be expended for new construction at any one school or institution except for new construction authorized as follows: New Mexico, Northern Navajo, construction of heating and power systems, \$57,000; North Dakota, Turtle Mountain, improvement of water supply and sewer system, \$17,000; South Dakota, Pine Ridge, central heating plant, \$38,000.

The amendment was agreed to.

The next amendment was, in the item for Haskell Institute, Lawrence, Kans., on page 37, after line 16, to insert the following proviso:

Provided, That the unexpended balance of the appropriation contained in the Interior Department appropriation act, fiscal year 1933, for shop building, including equipment, is hereby continued available until June 30, 1934.

Mr. KING. Mr. President, I ask my colleague how much is the unexpended balance, and is it deemed necessary for further expenditure?

Mr. SMOOT. The amount is \$3,500. That, I will say to the Senator, is for the shop building, in order to make it of real assistance to them. We might just as well complete it now as to have any further delay.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 38, line 5, after the figures "\$128,680," to insert a colon and the following proviso: "Provided, That the unexpended balance of the appropriation contained in the second deficiency act, fiscal year 1932, for new school building and auditorium, including equipment, is hereby continued available for the same purpose until June 30, 1934," so as to read:

Pipestone, Minn.: For 325 pupils, \$97,440; for pay of superintendent, drayage, and general repairs and improvements, \$17,740; for septic tank and sewer system, \$13,500, to be immediately available; in all, \$128,680: *Provided*, That the unexpended balance of the appropriation contained in the second deficiency act, fiscal year 1932, for new school building and auditorium, including equipment, is hereby continued available for the same purpose until June 30, 1934.

The amendment was agreed to.

The next amendment was, on page 39, line 9, after the figures "\$116,000," to insert a colon and the following proviso: "Provided, That the unexpended balance of the appropriation contained in the Interior Department appropriation act, fiscal year 1933, for central heating plant, is hereby continued available for the same purpose until June 30, 1934," so as to read:

Wahpeton, N. Dak.: For 350 pupils, \$104,250; for pay of superintendent, drayage, and general repairs and improvements, \$11,750; in all, \$116,000: *Provided*, That the unexpended balance of the appropriation contained in the Interior Department appropriation act, fiscal year 1933, for central heating plant, is hereby continued available for the same purpose until June 30, 1934.

The amendment was agreed to.

The next amendment was, on page 41, line 15, to increase the appropriation for certain nonreservation boarding schools from \$3,745,000 to \$3,755,000.

Mr. KING. Mr. President, I shall have an amendment to offer to this amendment in the event that an amendment which I shall offer to the text earlier is accepted; but if my amendment is rejected, then I shall have no amendment to offer. I suggest to my colleague that this be passed over.

Mr. SMOOT. Why not agree to it, and then, if my colleague's amendment is agreed to, we will revert to this?

Mr. KING. I have no objection to that procedure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, under the subhead "Conservation of health," on page 47, line 10, after the word "appropriation," to insert a colon and the following additional proviso:

Provided further, That the unexpended balances of the appropriations contained in the Interior Department appropriation act, fiscal year 1932, for construction and equipment of the Albuquerque Sanatorium and employees' quarters, New Mexico, and the Sioux Sanatorium and employees' quarters, South Dakota, are hereby continued available for the same purposes until June 30, 1934.

Mr. KING. Mr. President, I submit an inquiry.

In one part of the bill there is an amendment which refers to an unexpended balance. I have investigated and find that there was no unexpended balance. I am wondering if the Senator has investigated to determine whether these amendments now being offered, and which assume that there is an unexpended balance, accurately state the facts. In other words, were appropriations made, and out of those appropriations can it be accurately stated that there are some unexpended balances?

Mr. SMOOT. Mr. President, I will say to my colleague that the same question arose last year. Therefore I had the Bureau of Indian Affairs send a complete list showing the amounts of the unexpended balances, and I assure the Senator that those balances are there.

Mr. KING. I know there has been criticism of this policy of reappropriating unexpended balances without knowing what they were; and I am advised that in the case of some unexpended balances there have been diversions of the funds

from the very purpose for which they were intended. It seems to me we ought to adopt the policy that unexpended amounts should be covered into the Treasury, and when appropriations are needed the Government officials should present facts to committees and to Congress sufficient to justify further appropriations.

Mr. SMOOT. Mr. President, I do not know of a year when we have ever been so particular about this very subject as this year. There is to-day an unexpended balance of \$1,021,989; and I think these two items—this one, and the one we acted upon before—are about the total amount we have asked for.

Mr. McKELLAR. Mr. President, I will say to the Senator that these are small buildings that ought to be completed; and, of course, it would be a waste of money unless they were.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration," on page 51, line 2, after the name "Klamath," to strike out "\$50,000" and insert "\$44,900," and in line 3, after the words "in all," to strike out "\$54,570" and insert "\$49,470," so as to read:

Oregon: Klamath, \$44,900; Umatilla, \$4,570; in all, \$49,470.

The amendment was agreed to.

The next amendment was, on page 51, line 11, after the name "Colville," to strike out "\$30,000" and insert "\$35,000," and in line 14, after the words "in all," to strike out "\$37,740" and insert "\$42,740," so as to read:

Washington: Colville, \$35,000; Neah Bay, \$4,740; Puyallup, \$2,000, of which \$1,000 shall be available for the upkeep of the Puyallup Indian Cemetery; Taholah (Quinalt), \$1,000; in all, \$42,740.

The amendment was agreed to.

The next amendment was, on page 51, line 16, after the name "Keshena," to strike out "\$50,000" and insert "\$55,000," and in line 21, after the words "in all," to strike out "\$52,000" and insert "\$57,000," so as to read:

Wisconsin: Lac du Flambeau, \$2,000; Keshena, \$55,000, including \$5,000 for monthly allowances, under such rules and regulations as the Secretary of the Interior may prescribe, to such old and indigent members of the Menominee Tribe as it is impracticable to place in the home for old and indigent Menominee Indians, and who reside with relatives or friends; in all, \$57,000.

The amendment was agreed to.

The next amendment was, on page 51, at the end of line 23, to increase the total appropriation for general support of Indians and administration of Indian property under the jurisdiction of certain agencies, to be paid from the funds held by the United States in trust for the respective tribes, etc., from \$524,950 to \$929,850.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation," on page 67, after line 9, to insert:

Interchange of appropriations: Ten per cent of the foregoing amounts shall be available interchangeably for expenditures on the reclamation projects named; but not more than 10 per cent shall be added to the amount appropriated for any one of said projects, except that should existing works or the water supply for lands under cultivation be endangered by floods or other unusual conditions, an amount sufficient to make necessary emergency repairs shall become available for expenditure by further transfer of appropriation from any of said projects upon approval of the Secretary of the Interior.

Mr. KING. Mr. President, I should like some explanation of that. It seems to me rather an unwise method of legislating to allow a latitude of 20 per cent to change appropriations from one purpose to another.

An appropriation of a million dollars is made for project A, and 10 per cent of it may be diverted and used for project C or D or E, or some other enterprise. Congress might have been unwilling to add 10 per cent to project C, D, or E, and yet this provision gives to the department that has the spending the discretion to take from one project money appropriated for one purpose and use it for an entirely different purpose.

Mr. McKELLAR. Mr. President, I shall be very happy to make the explanation which the Senator desires as to how this provision happens to be in the bill.

The Senate will recall that last year all the appropriations in this bill were cut in the aggregate 10 per cent. It will be remembered also that the department and the department heads all said that that would destroy the department; that they could not get along on the amount appropriated, and many such expressions as that.

It was believed by our committee at the time that in order that no injustice should be done in any particular place within the department an interchangeable fund of 10 per cent should be provided, and it was provided in the bill last year. I want to add that I think the department is in just as good condition with the 10 per cent cut, and the 10 per cent interchangeable amount, as it was last year with the larger appropriation.

The Senator will recall that the Senate cut down the appropriations of the Interior Department from some \$55,000,000 to \$45,000,000, with, however, the permission given to the head of the department to make this interchangeable 10 per cent arrangement. This year our bill is still less than the \$45,000,000. It is \$43,000,000. We have cut it still further. Although the department last year claimed that they could not get along with the cut that was then made, the Congress has cut the amount this year by a little more than \$2,000,000.

It will be remembered that yesterday we agreed to the Bratton amendment requiring all departments to cut down their expenditures 5 per cent. That amendment undoubtedly will become the law, as I believe. With that the law, and with these appropriations reduced as they have been, it seemed to the committee very wise that we should continue for one more year the 10 per cent interchangeable amount; and that is the reason for it, as I understand.

Mr. SMOOT. That is the situation.

Mr. KING. Mr. President, I want to ask my colleague if this money may be diverted to pay larger salaries or increase the personnel in any branch.

Mr. SMOOT. No; I will say to the Senator that that is not the object. The Senator from Tennessee [Mr. McKELLAR] has explained the whole object of the amendment, and I could not say anything more than he has said. That was the object that the committee had; and I think, taken as a whole, the result of it will be a saving in the end.

Mr. McKELLAR. Mr. President, if the Senator will yield to me, it certainly worked well last year. The Senator will recall that the heads of the bureaus in that department, and the head of the department, all said that they could not get along on the \$45,000,000 appropriation. With this 10 per cent interchangeable fund they did get along well, however, and the department now is in just as good condition as it was last year. They are making no complaint; and even though the total was reduced from \$55,000,000 to \$45,000,000 last year, we have still further reduced it this year by about \$2,000,000, as I remember the sum.

Mr. SMOOT. Mr. President, I will say to my colleague that another thing is this: There are some places where it is absolutely impossible to take off the 10 per cent, and there are other places where the department officials feel that they could take off 12 per cent instead of 10 per cent, and allow the 2 per cent to apply upon items that it is impossible to reduce; and we allowed that privilege.

Mr. BRATTON. And this allows them to meet emergent situations which may arise at different places within the service.

Mr. SMOOT. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 71, in line 6, after the word "thereto," to strike out "\$300,000" and insert "\$325,000," and in line 7, after the word "exceed," to strike out "\$265,000" and to insert in lieu thereof "\$280,000," so as to read:

Geologic surveys: For geologic surveys in the various portions of the United States and chemical and physical researches relative thereto, \$325,000, of which not to exceed \$280,000 may be expended for personal services in the District of Columbia.

Mr. KING. Mr. President, I note that there is an increase in this appropriation of \$25,000, and the bill provides that \$280,000 of the appropriation of \$325,000 shall be spent for personal services in the District of Columbia.

The appropriation is under the head of "Geologic Surveys." I presume that surveys are to be made throughout the United States to determine the geological formation of the country; and yet, while it is presumed that these investigations are to be made in the field, the greater part of the \$280,000 is to be spent by the bureau here in Washington for the salaries of its numerous employees.

Mr. SMOOT. Mr. President, I want to explain to my colleague the reason why that is done this year.

The field work has been away ahead of the work in the District of Columbia. The surveys are no good whatever to the citizens of the United States unless the reports are prepared in the District of Columbia, where everything is put into shape for the public's information. The committee thought it undesirable to spend any more money in the field for surveys when we have two or three years' accumulation here. Therefore we give them the money to get the information out where it was intended in the first place it should go. If it does not reach the hands of the men interested in the development of the resources of the United States, then all of the other work is wasted. It is no good lying here in the departments. Therefore we gave this amount, in order to permit that to be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 71, after line 11, to insert:

For continuation of the investigation of the mineral resources of Alaska, \$30,000, to be available immediately, of which amount not to exceed \$15,000 may be expended for personal services in the District of Columbia.

Mr. KING. Mr. President, I have had a number of complaints, one from a resident of Alaska, against any further appropriations for the investigation of the mineral resources of Alaska, and also a protest against further appropriations for the so-called Alaska Railroad. I presume the latter item is also carried in this bill. I have repeatedly called attention to the burden this railroad is upon the taxpayers of the United States. My recollection is that assurances have been given that the railroad would soon be self-sustaining, or that some plan would be adopted that would relieve the Government of further costs in its operation. But it seems there is to be no end to the demand for Government gratuities or subsidies.

Mr. SMOOT. It is carried in the bill. The estimate was for \$60,000 for Alaska and \$30,000 to be expended for personal services in the District of Columbia. We report \$30,000 to be available for Alaska, and \$15,000, or one-half the amount that was estimated, for personal services in the District of Columbia.

The Delegate from Alaska appeared before the committee. He stressed the fact that gold has been discovered in a new district in Alaska, which is going to be of untold benefit to the people of Alaska. He virtually demanded that we appropriate the \$60,000 estimated for, based upon the facts he presented, but the committee thought the best thing to do was to cut it in two and see what happens. If it becomes really necessary, the additional amount can be provided in the extra session of Congress, which no doubt will be called.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 72, line 22, after the word "binding," to strike out "\$100,000" and insert "\$120,000," and in line 24, after the words "in all," to strike out "200,000" and insert "\$220,000," so as to read:

Printing and binding, etc.: For printing and binding, \$120,000; for preparation of illustrations, \$15,000; and for engraving and printing geologic and topographic maps, \$85,000; in all, \$220,000.

The amendment was agreed to.

The next amendment was, on page 73, line 11, after the word "thereto," to strike out "\$200,000" and insert "\$225,000," so as to read:

Mineral leasing: For the enforcement of the provisions of the acts of October 20, 1914 (U. S. C., title 48, sec. 435), October 2, 1917 (U. S. C., title 30, sec. 141), February 25, 1920 (U. S. C., title 30, sec. 181), and March 4, 1921 (U. S. C., title 48, sec. 444), and other acts relating to the mining and recovery of minerals on Indian and public lands and naval petroleum reserves; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, the construction, maintenance, and repair of necessary camp buildings and appurtenances thereto, \$225,000, of which amount not to exceed \$40,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 75, line 24, to change the total appropriation for the United States Geological Survey from \$1,927,500 to \$2,027,500.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service," on page 77, line 12, after the figures "\$3,000," to strike out "(which rate shall be subject to any compensation reduction or furlough without pay retirement effective during the fiscal year 1934;" in line 22, after the word "work" to strike out "\$49,200" and insert "\$54,200;" and in line 23, after the words "in all," to strike out "\$50,000" and insert "\$55,000," so as to make the paragraph read:

Acadia National Park, Me.: For administration, protection, and maintenance, including \$3,000 for George B. Dorr as superintendent, \$3,000 for temporary clerical services for investigation of titles and preparation of abstracts thereof of lands donated to the United States for inclusion in the Acadia National Park, and not exceeding \$1,800 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, \$54,200; for the construction of physical improvements, \$800; in all, \$55,000.

The amendment was agreed to.

The next amendment was, on page 81, line 8, after the word "work," to strike out "\$18,500" and insert "\$25,000," and in line 9, after the words "in all," to strike out "\$20,000" and insert "\$26,500," so as to read:

Lassen Volcanic National Park, Calif.: For administration, protection, and maintenance, including not exceeding \$1,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, \$25,000; for construction of physical improvements, \$1,500; in all, \$26,500.

The amendment was agreed to.

The next amendment was, on page 84, line 20, after the word "work," to strike out "\$38,500" and insert "\$40,940," and in line 22, after the words "in all," to strike out "\$45,000" and insert "\$47,440," so as to read:

Zion National Park, Utah: For administration, protection, and maintenance, including not exceeding \$1,150 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, \$40,940; for construction of a checking station, employees' quarters, and water system at the east entrance, \$6,500; in all, \$47,440.

Mr. KING. Mr. President, I shall not offer any amendment to these various appropriations for the national parks, but I want to register my protest against the policy of the Government in creating so many parks and monuments, and appropriating unnecessarily large amounts for the maintenance of no inconsiderable number of the same.

I think that in this period of depression, when the imperative needs of the country are so great and its revenues are so small, drastic reductions should be made whenever possible. I do not underestimate the value and advantages of parks, but there can be extravagance in the creation and maintenance of national parks. Expenditures should bear some relation to revenues. What might be justified in days of prosperity may be condemned in periods of adversity.

There has been a mania to establish national parks. I have had many communications favoring the creation of

more national parks—two or three in my own State. It seems to be the understanding that every interesting or beautiful or unique spot of mother earth must be converted into a national park, to be maintained at the expense of the Federal Government.

I hope the new administration will make a comprehensive study of the park question and adopt a sound and sane policy that will meet all legitimate needs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 86, line 22, after the word "work," to strike out "\$63,000" and insert "\$70,000," and on page 87, line 2, after the words "in all," to strike out "\$140,000" and insert "\$147,000," so as to read:

Forest protection and fire prevention: For the control and the prevention of spread of forest insects and tree diseases, including necessary personnel and equipment for such work, \$70,000; for fire-prevention measures, including necessary personnel and fire-prevention equipment, \$68,400; and for fire-prevention improvements within national parks and national monuments, \$8,600, including not exceeding \$3,800 for a storehouse and \$1,600 for a lookout station; in all, \$147,000.

The amendment was agreed to.

The next amendment was, under the heading "Temporary government for the Virgin Islands," on page 94, line 16, after the name "St. John," to strike out "\$105,000" and insert "\$98,500"; in line 17, after the name "St. Croix," to strike out "\$105,000; in all, \$210,000" and insert "\$98,500; in all, \$197,000," so as to read:

For defraying the deficits in the treasuries of the municipal governments because of the excess of current expenses over current revenues for the fiscal year 1934, municipality of St. Thomas and St. John, \$98,500, and municipality of St. Croix, \$98,500; in all, \$197,000.

The amendment was agreed to.

The next amendment was, on page 94, line 24, after the word "than," to strike out "\$100,000" and insert "\$90,000," so as to make the proviso read:

Provided, That the amount herein appropriated for each municipal government shall be expended only if an equivalent amount is raised by municipal revenues and applied to the operating costs of the respective government, except that for the fiscal year 1934 the contribution to either municipal government shall not be less than \$90,000.

The amendment was agreed to.

The next amendment was, on page 95, line 1, after the word "exceed," to strike out "\$105,000" and insert "\$98,500," and in line 2, after the word "exceed," to strike out "\$105,000," and insert "\$98,500," so as to make the further proviso read:

Provided further, That should the revenues of the municipality of St. Thomas and St. John, during the fiscal year 1934, exceed \$98,500, and/or the revenues of the municipality of St. Croix exceed \$98,500, such excess revenues may be expended for municipal improvements and operating costs of the municipalities under such rules and regulations as the President may prescribe.

The amendment was agreed to.

The next amendment was, on page 100, line 4, to increase the total appropriation for the Howard University from \$632,500 to \$1,092,500.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. BRATTON. Mr. President, on page 15, line 9, I move to strike out the following language:

And such other purposes, except per capita payments, as may be.

With that language omitted, the provision would read:

Purchase of land and water rights, and so forth, Pueblo Indians, New Mexico (tribal funds): For the purchase of additional land and water rights, development of water for irrigation and domestic use, purchase of equipment for industrial advancement of direct benefit to the several pueblos involved, as follows:

The object of the amendment, Mr. President, is to conform the appropriation to the so-called Pueblo Land Board act approved June 7, 1924.

Mr. SMOOT. I have no objection to the amendment.

Mr. KING. Mr. President, according to my recollection, the law would not permit the purchase of equipment for

industrial advancement. Of course, the Senator from New Mexico knows better than I, but the statute, according to my recollection, provides that the money shall be used for the purchase of additional lands and water rights, and the development of water for irrigation and domestic uses, but does not authorize the purchase of equipment for industrial advancement, and certainly not for other purposes.

Mr. BRATTON. Mr. President, I have asked to have stricken out the words "and such other purposes."

Mr. KING. I note that, but I was wondering whether the Senator's amendment is not a little too broad. Should he not move to strike out the words "purchase of equipment for industrial advancement," in order that there may be no conflict between this provision and the existing law?

Mr. BRATTON. Mr. President, I have the act before me. It reads:

That all sums of money which may hereafter be appropriated by the Congress of the United States for the purpose of paying in whole or in part any liability found or decreed under this act from the United States to any pueblo or to any of the Indians of any pueblo, shall be paid over to the Bureau of Indian Affairs, which bureau, under the direction of the Secretary of the Interior, shall use such moneys at such times and in such amounts as may seem wise and proper for the purpose of the purchase of lands and water rights to replace those which have been lost to said pueblo or to said Indians, or for purchase or construction of reservoirs, irrigation works, or the making of other permanent improvements upon, or for the benefit of, lands held by said pueblo or said Indians.

That is the language of the act.

Mr. KING. I think it would not include the purchase of equipment for industrial advancement. If the Senator desires it, however, I shall not object.

Mr. BRATTON. I am not willing to have just the language "and such other purposes" included. With that stricken out I am content to have the committee text stand.

Mr. SMOOT. I have no objection to the amendment.

The PRESIDING OFFICER. Will not the Senator from New Mexico state the amendment he desires to offer?

Mr. BRATTON. On page 15, line 9, I move to strike out the language "and such other purposes, except per capita payments, as may be."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GORE. Mr. President, I have offered and had printed an amendment beginning on line 20, page 13, to strike out beginning with the word "Provided," to the end of the sentence. I find, on further examination, that the proviso covers not only attorneys but other employees. I do not desire to strike out the provision as to other employees. I think they ought to be under the civil service. So I modify my amendment and move to strike out, on line 22, the words "attorneys and other."

Mr. SMOOT. Let the amendment be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 13, line 22, the Senator from Oklahoma moves to strike out of the proviso the words "attorneys or other," so that the proviso would read:

Provided, That no part of this appropriation shall be available for the payment of employees unless appointed after a competitive examination by the Civil Service Commission and from an eligible list furnished by such commission.

Mr. SMOOT. If we take the attorneys out, it will mean that they will not come under the civil service.

Mr. GORE. That is the point.

Mr. SMOOT. Mr. President, I doubt the wisdom of that. We have never had any trouble in the past with this. I want to say to the Senator frankly that I do not know just what the effect would be, but if he desires to have the amendment agreed to, I will accept it, and let it go to conference, and then I will look into the matter.

Mr. GORE. Mr. President, I would be glad to have the amendment agreed to and taken to conference. It will lift some six or seven attorneys out of the civil service who never ought to have been placed under the civil service.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, the junior Senator from Montana [Mr. WHEELER], who is a member of the Committee on Indian Affairs, has been compelled to leave the Chamber on account of illness, and he has left with me three amendments he desires to have proposed to the bill. At his request I send to the desk an amendment and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 10, the Senator from Utah, on behalf of the Senator from Montana, moves to strike out lines 20 to 22, inclusive, as follows:

For pay of judges of Indian courts where tribal relations now exist, at rates to be fixed by the Commissioner of Indian Affairs, \$15,000.

Mr. KING. Mr. President, I am sure that the Committee on Indian Affairs, of which the able Senator from North Dakota [Mr. FRAZIER] is chairman, and of which the Senator from Montana [Mr. WHEELER] is a member, unanimously reached the conclusion that this item ought not to be retained. I call upon the chairman of the Committee on Indian Affairs to give his view with respect to the item.

Mr. SMOOT. Mr. President, this question has been discussed in years past. The courts referred to ought to exist. I see no reason on earth why this item should be stricken out.

Mr. KING. May I say to my colleague that statements have been made to me by Indians, as well as by the Senator from Montana [Mr. WHEELER] that these Indian courts, so-called, are mere jokes, if that is not too temperate an expression. The agent in charge names the persons who are to be judges, so-called. They are his creatures, they represent him, their voice is his voice, and their judgment is his judgment. Indians have complained to me that the maintenance of these so-called courts is a disadvantage to the Indians; that they act in an arbitrary manner and exercise authority not judicial, and often most oppressive. Many of the Indians are very much opposed to them, and the Senator from Montana asked me to tender the amendment which I have offered.

Mr. SMOOT. Mr. President, I would like to ask the Senator how we are going to have order on the reservation if we do not have courts there? I can not think of anything that would tend to bring about more disorder on a reservation than to eliminate this item from the bill.

Mr. FRAZIER. Mr. President, on some reservations the Indian courts are doing pretty good work. On other reservations they do not seem to function at all. It is largely a matter dependent upon the superintendent. If they have the right kind of a superintendent the courts, I think, perform a good function for the Indians. Generally some old Indian is the judge and he gets a salary ranging from \$30 to \$50 a month and sometimes not even that much. It is about the only means they have of punishing for offenses that are committed by the Indians on the reservations. I agree with the junior Senator from Utah [Mr. KING] that in many cases the courts do not amount to anything at all and are a joke, but on reservations where they have a good live superintendent and he is interested in the Indians, they seem to function very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah on behalf of the Senator from Montana.

The amendment was rejected.

Mr. KING. Mr. President, at the request of the Senator from Montana [Mr. WHEELER] I send to the desk another amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 10 strike out lines 23 and 24, and on page 11 strike out lines 1 to 3, inclusive, as follows:

For pay of Indian police, including chiefs of police, not to exceed \$70 per month each and privates at not to exceed \$50 per month each, to be employed in maintaining order, and for purchase of equipment and supplies, \$150,000.

Mr. SMOOT. Mr. President, if we are going to have the courts we have to have the Indian police. They are all hooked together. Both of the items are placed in the bill in order that there shall be some agency to keep order. If we strike out this item we might as well strike out the previous item.

Mr. KING. Mr. President, I can only say that those members of the committee who have been making a searching investigation for two or three years of the Indian situation and visiting all the reservations, as I understand it, favor the amendment. At any rate, one of the most active and earnest in making the investigation was the junior Senator from Montana [Mr. WHEELER]. He is very much in favor of the amendment. I can not speak with any authority, but in his behalf I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. KING. Mr. President, at the request of the junior Senator from Montana I send to the desk another amendment and in his behalf ask the adoption of it.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 11, strike out lines 4 to 6, as follows:

For the suppression of the traffic in intoxicating liquors and deleterious drugs, including peyote, among Indians, \$95,300.

Mr. SMOOT. Mr. President, the same principle applies here as to the last two items.

The PRESIDING OFFICER. The question is on the amendment.

The amendment was rejected.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. FRAZIER. Mr. President, I offer the following amendment on page 6.

The PRESIDING OFFICER. Let the amendment be stated.

The CHIEF CLERK. On page 6, strike out lines 1 to 4, as follows:

Expenses of Indian commissioners: For expenditures of the Board of Indian Commissioners, \$11,430, of which not to exceed \$6,330 may be expended for personal services in the District of Columbia.

Mr. FRAZIER. Mr. President, this appropriation has been carried in the Interior Department appropriation bill for years. I do not know exactly how long it has been carried. It is sort of a continuing appropriation for a board of 10 or 12 people appointed from various parts of the country called the Board of Indian Commissioners. They visit Indian reservations, make some investigations, and make recommendations to the department. I think many of the members of the board are very capable people and interested in Indian matters. But they have no particular authority. The appropriation was cut from \$12,500 last year to \$11,430, the same amount that is proposed this year.

We have a subcommittee of the Committee on Indian Affairs operating under a resolution adopted by the Senate to investigate Indian matters throughout the country. We have been continuing those investigations for some five or six years. I think the subcommittee has done a great deal of good. We have recommended certain legislation, and some of it has been enacted into law. We have taken up matters with the department and have gotten the department to change its methods in some respects. We have created some interest in the Indians among the white people living in the districts contiguous to where the Indians live and have brought about in many instances better conditions for the Indians.

I introduced a resolution at the beginning of this session providing for \$10,000 for a continuation of this work by the subcommittee of the Committee on Indian Affairs of the Senate. The resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

I went before the committee. There seemed to be some objection to continuing the work of our subcommittee. I simply want to make the point that we can save \$11,430 here and continue the investigating work by our committee. There are a number of reservations that need to be visited and investigations made and some work done on things recommended to be done by that committee. I am not going to be chairman of the Committee on Indian Affairs after this session, and I do not know who will be, but I should like to see that work continued. I can not see any particular value in continuing this expense for the Board of Indian Commissioners. I think it might well be cut out and we might well make a saving of that much to the Indians.

Mr. ROBINSON of Arkansas. Mr. President, I do not believe the amendment of the Senator from North Dakota should be agreed to. The Board of Indian Commissioners was created, as I remember, in 1869. It is composed of 10 of the most distinguished philanthropic persons in the country. The members of the commission receive no compensation. They devote their time without mercenary consideration to the services which they perform. Some years ago, when acting as chairman of a joint commission of the two Houses to investigate Indian affairs, it was my conclusion that the Board of Indian Commissioners perform a very helpful and advantageous service.

I am going to place in the RECORD a list of the commissioners who are now serving. The commission now is composed of Samuel A. Eliot, D. D., of Boston, Mass.; Warren K. Moorehead, of Andover, Mass.; Frank Knox, of Chicago, Ill.; Malcolm McDowell, Wilmette, Ill.; Hugh L. Scott, whom every Senator well knows.

Let me digress to say that General Scott is perhaps more familiar than any other living man with the history of the Indians and with their problems. It will be recalled that General Scott went into the West at the time of the Custer raid, and during all the period that has elapsed since then he has been an active student of Indian problems. He is well known to the Indians, and they have great affection for him. He devotes his time and his services and receives no compensation whatsoever. The same is true, as I have already stated, of the other members of the commission.

The remaining members of the commission are Mrs. Flora Warren Seymour, of Chicago; John J. Sullivan, of Philadelphia; Mary Vaux Walcott, of Washington, D. C., who is the widow of the late Secretary of the Smithsonian Institution. She is a renowned philanthropist and very much interested in Indian troubles and affairs. G. E. E. Lindquist, of Lawrence, Kans., and Charles H. T. Lowndes, of Easton, Md., are the remaining members.

A brief history of this commission, together with a copy of the Executive order issued by the then President of the United States when the commission was created, will be placed in the RECORD. General Grant's order defines the duties of the commission. Notwithstanding the fact that sometimes the commission does not function as effectively as at other times, it is a body of very renowned citizens who have safeguarded the rights of the Indians in many instances during the last few years. I think it would be unfortunate to deprive the commission of its appropriation, which would be the equivalent of denying it the opportunity to function.

Mr. President, I ask leave to place in the RECORD the data to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The data are as follows:

THE BOARD OF INDIAN COMMISSIONERS

The Board of Indian Commissioners, which was created in 1869, is a body of 10 unpaid citizens appointed by the President from persons "eminent for intelligence and philanthropy." They visit and inspect Indian agencies and other branches of the Indian Service and confer with the Secretary of the Interior and the Commissioner of Indian Affairs on questions relating to the administration of Indian affairs.

The appropriation for the expenses of the board is to pay for traveling expenses and for maintaining an office in Washington. The members of the board travel in all parts of the Indian coun-

try, visiting reservations, schools, hospitals, and all other activities of the Federal Government which are conducted for the welfare of the Indians. Reports are filed with the Secretary of the Interior following the trips made by the board members, and these in turn are transmitted to the Office of Indian Affairs. From 50 to 70 units of the Indian Service are visited each year. The board holds three or more meetings in Washington each year, and conferences are held with the officials of the Department of the Interior in regard to various questions involved in the management of the affairs of the Indians.

On the membership of the board are lawyers, physicians, military officers, clergymen, and others who have an interest in promoting the progress and welfare of the Indians of the country. The board makes an annual report giving its recommendations and observations on the Federal Government's work for the advancement of the Indians.

Because of its somewhat independent character, the board is in a position to impartially and disinterestedly make surveys of conditions on Indian reservations and in Indian schools. The broad latitude permitted by law and Executive order enables it to secure information and well-founded opinions regarding the difficult problems involved in forwarding the Indian's social and economic progress which are not generally available to salaried employees.

MEMBERS OF THE BOARD OF INDIAN COMMISSIONERS

Samuel A. Elliot, D. D., Boston, Mass., was appointed to the Board of Indian Commissioners in 1909, and has served as chairman since 1928. He is the son of the late Charles W. Elliot, former president of Harvard University. He served as secretary and later president of the American Unitarian Association for a period of 30 years. He is now pastor of the Arlington Street Church (Unitarian) in Boston. He has been actively interested in a number of educational institutions and has traveled extensively in the Indian country for the last 20 years.

Warren K. Moorehead, Andover, Mass., has been a member of the board since 1908. He is head curator of the department of archaeology of Phillips-Andover Academy. He has conducted many archaeological expeditions in various parts of the country and has written numerous books and papers on archaeological research. He has been interested in Indian affairs for many years.

Frank Knox, Chicago, Ill., was appointed a member of the board in 1911 when editor of the Sault Ste. Marie (Mich.) News. He later moved to Manchester, N. H., and became editor and proprietor of the Manchester Union and Leader. He served as general manager of the Hearst newspapers from 1928 to 1931, and now is proprietor and editor of the Chicago Daily News. He served in the Spanish War and the World War. He has long been interested in public affairs; he recently served as chairman of the anti-boarding committee appointed by President Hoover. He has made investigations of Indians in Utah, Colorado, Arizona, and California.

Malcolm McDowell, Wilmette, Ill., was appointed a board member by President Wilson in 1917. He served as the board's secretary from 1915 to 1931. He is a newspaper man by profession and is now on the staff of the Chicago Daily News. He has traveled in all parts of the Indian country and has written numerous documents upon the Indians and their problems.

Hugh L. Scott, Princeton, N. J., is a major general, United States Army, retired. He was appointed a member of the board in February, 1919. After his graduation from West Point he served in numerous Indian campaigns from 1876 to 1891; served in the Cuban and Philippine campaigns from 1898 to 1906. Had charge of the Fort Sill Apache Indians in Oklahoma, and took an important part in the settlement of Indian troubles in the Southwest. Was Chief of Staff of the Army at the beginning of the World War, was a member of the United States military commission to Russia, and commanded Camp Dix, N. J., until the end of the war. He is recognized as about the best-informed officer in the Army on Indian matters, and has written various reports and monographs on the plains Indians. For several years he has been chairman of the New Jersey State Highway Commission, offices at Trenton, N. J.

Flora Warren Seymour (Mrs. George Steele Seymour), Chicago, Ill., was appointed a member of the board in October, 1921. She was in the Indian Service from 1909 to 1915, is a lawyer, and in recent years has written books on historical subjects and the affairs of the American Indian.

John J. Sullivan, Philadelphia, Pa., was appointed a member of the board in 1924. He is actively engaged in the practice of law and is also interested in the banking business in Philadelphia. He is the author of numerous books on legal subjects and lectures at the University of Pennsylvania. He has made regular trips to the Indian country since his appointment to the board.

Mary Vaux Walcott, Washington, D. C. She was appointed a member of the board in 1927. She is the widow of the late Dr. Charles D. Walcott, former secretary of the Smithsonian Institution. She has traveled extensively in the West, is an artist of note and interested in scientific work, and has traveled widely in the Indian country.

G. E. E. Lindquist, Lawrence, Kans. He was appointed a member of the board in 1930, is missionary at large for the Society for Propagating Gospel Among the Indians, and has been active in missionary work among the Indians for about 20 years. He has written numbers of books on Indian subjects and has an intimate acquaintance with conditions throughout the Indian Service.

Charles H. T. Lowndes, Easton, Md., rear admiral, United States Navy, Medical Corps, retired, appointed to the board in 1930.

Entered the Medical Corps of the Navy in 1889, served as a medical officer in Alaska, Nicaragua, the Philippines, and at sea; has been in charge of the naval hospitals at Washington and New York and after retirement for a time was medical director of the Georgetown University Hospital, Washington, D. C. Since becoming a board member has made investigations of the Indian medical service.

EXECUTIVE ORDER AND LAWS RELATING TO THE BOARD OF INDIAN COMMISSIONERS

Executive order

EXECUTIVE MANSION,

Washington, D. C., June 3, 1889.

A commission of citizens having been appointed, under the authority of law, to cooperate with the administrative departments in the management of Indian affairs, consisting of William Welsh, of Philadelphia; John V. Farwell, Chicago; George H. Stuart, Philadelphia; Robert Campbell, St. Louis; W. E. Dodge, New York; E. S. Tobey, Boston; Felix R. Brunot, Pittsburgh; Nathan Bishop, New York; and Henry S. Lane, Indiana—the following regulations will, till further directions, control the action of said commission and of the Bureau of Indian Affairs in matters coming under their joint supervision:

1. The commission will make its own organization and employ its own clerical assistants, keeping its "necessary expenses of transportation, subsistence, and clerk hire, when actually engaged in said service," within the amount appropriated therefor by Congress.

2. The commission shall be furnished with full opportunity to inspect the records of the Indian Office and to obtain full information as to the conduct of all parts of the affairs thereof.

3. They shall have power to inspect, in person or by subcommittee, the various Indian superintendencies and agencies in the Indian country; to be present at payment of annuities, at consultations or councils with Indians; and when on the ground to advise superintendents and agents in the performance of their duties.

4. They are authorized to be present, in person or by subcommittee, at purchases of goods for Indian purposes and inspect said purchases, advising with the Commissioner of Indian Affairs in regard thereto.

5. Whenever they shall deem it necessary or advisable that instructions of superintendents or agents be changed or modified, they will communicate such advice through the office of the Commissioner of Indian Affairs, to the Secretary of the Interior; and in like manner their advices as to changes in modes of purchasing goods or conducting the affairs of the Indian Bureau proper. Complaints against superintendents or agents or other officers will in the same manner be forwarded to the Indian Bureau or Department of the Interior for action.

6. The commission will at their board meetings determine upon the recommendations to be made as to the plans of civilizing or dealing with the Indians, and submit the same for action in the manner above indicated, and all plans involving the expenditure of public money will be acted upon by the Executive or the Secretary of the Interior before expenditure is made under the same.

7. The usual modes of accounting with the Treasury can not be changed, and all the expenditures, therefore, must be subject to the approvals now required by law and by the regulations of the Treasury Department, and all vouchers must conform to the same laws and requirements and pass through the ordinary channels.

8. All the officers of the Government connected with the Indian Service are enjoined to afford every facility and opportunity to said commission and their subcommittees in the performance of their duties and to give the most respectful heed to their advice within the limits of such officers' positive instructions from their superiors; to allow such commissioners full access to their records and accounts; and to cooperate with them in the most earnest manner to the extent of their proper powers in the general work of civilizing the Indians, protecting them in their legal rights, and stimulating them to become industrious citizens in permanent homes instead of following a roving and savage life.

9. The commission will keep such records or minutes of their proceedings as may be necessary to afford evidence of their action, and will provide for the manner in which their communications with and advice to the Government shall be made and authenticated.

U. S. GRANT.

LAWS

Appointment of Board of Indian Commissioners to be made by the President

(Sec. 2039, Revised Statutes)

There shall be a Board of Indian Commissioners, composed of not more than 10 persons, appointed by the President, solely, from men eminent for intelligence and philanthropy, and who shall serve without pecuniary compensation.

Agencies, etc., to be inspected by Board of Indian Commissioners (Act of May 17, 1882 (22 Stat. L. 70))

Section 2040 of Revised Statutes be, and the same is hereby, repealed. And hereafter the commission shall only have power to visit and inspect agencies and other branches of the Indian Service, and to inspect goods purchased for said service, and the Com-

missioner of Indian Affairs shall consult with the commission in the purchase of supplies. The commission shall report their doings to the Secretary of the Interior.

Secretary to the Board of Indian Commissioners
(Sec. 2040, Revised Statutes)

The Board of Indian Commissioners mentioned in the preceding section (R. S. 2039) shall have power to appoint one of their own number as secretary, who shall be entitled to such reasonable compensation as the board may designate, payable from any moneys appropriated for the expenses of the board.

(Act of August 24, 1912 (37 Stat. L. 521))

Hereafter the Board of Indian Commissioners are authorized to employ a secretary, not a member of said board, and pay his salary out of the appropriation herein made or which shall hereafter be made for said board.

Mr. SMOOT. Mr. President, I want to plead with the Senate not to accept the amendment. Gen. Hugh L. Scott did a great service in the State of Utah during the last Indian uprising in that State.

Mr. FRAZIER. Mr. President, will the Senator permit me to say that Hugh L. Scott will be just as much interested in the Indians whether he is a member of this board or not.

Mr. SMOOT. He has to have some help in the way of a clerk and some office expenses involved in collecting the information.

Mr. ROBINSON of Arkansas. He devotes a large part of his time to the service. He travels all over the Indian country.

Mr. FRAZIER. Oh, no. He is highway commissioner in New Jersey.

Mr. ROBINSON of Arkansas. I was in the West two summers ago visiting my friend the Senator from Wyoming [Mr. KENDRICK] and found General Scott there spending a prolonged period visiting the reservations, going among the Indians, doing everything he could to encourage them and to promote their interests. I think a service like that is well worth the clerk hire which is required to perpetuate it. People of this character, who are willing to devote their efforts and time to a task of this nature, ought to receive some encouragement.

Mr. SMOOT. Mr. President, there is one case that I know of where General Scott was enabled to save a great many lives. There was an uprising among the Indians in the southeastern part of the State of Utah. Nobody could have handled the situation as General Scott did. He was on the spot before anyone called him. Not only that but there was not a life lost. There was a complete understanding brought about, and there has been no uprising since he was there years ago.

Mr. FRAZIER. Mr. President, I want to say a word further, if I may. I appreciate the work General Scott has done, and the work other members of the board have done, but I still think General Scott would be interested in the Indians and do just as much for them as he is now even if he were not a member of this commission, because he has been interested in Indians for years and years.

I want to call the attention of the Senate to the fact that this commission has been in existence for something over 60 years. Those who are familiar with Indian conditions at the present time would find it very difficult to explain the good work which it is said this commission has done during the 60 years in improving the condition of the Indians.

If the conditions could be any worse than they are at the present time, God help the Indians. That is the situation. Our committee last fall, out in the great State of California, found Indians who were living in an old hut plastered up with mud, the plaster falling out, and we could see through the roof in places. An old woman, who must have been 90 years of age or more, was sitting in the ashes near the little fireplace at the end of that little hut in order to keep warm. Conditions like that prevail all over that section of the country. Some of the \$12,000 that is provided for here would take care of that old woman; and there are literally thousands of similar cases.

In South Dakota last year Gutzon Borglum, the sculptor, who is working out in the Black Hills, became interested in a group of Indians who were living near the Black Hills. He investigated and found that they were going hungry;

that they were cold. He took their case up with the department, but could not get anything done. Finally he got in touch with some other officials here and obtained a number of Army blankets and sent them to those Indians. Again this winter he is doing the same kind of work. He donated out of his own herd beef cattle with which to feed the Indians last winter, and he got others to do the same. The Indians are still in desperate circumstances; and it seems to me, Mr. President, that this fund could be well saved and could be put to better use.

I have nothing against the commission nor the work they are doing; but, as I have previously said, they have no authority except to make some investigations. In the past, under former administrations, it was current talk that when complaint was made as to some reservation that conditions were not as they should be, the Indian Bureau would send out some of the members of the commission, and they would go out and apply a coat of whitewash and submit a report favorable to the department.

I do not think that the statement should be made about the present situation, however. Those who are on the commission at this time, especially those whom I know, are very high-grade people. I have known General Scott for years. He used to be in North Dakota and spent a great deal of time in the Army service there. I have nothing against him in the world; in fact I count him as a good friend of mine, but I do feel that this money might well be saved.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was rejected.

Mr. KING. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the proviso commencing on line 25, page 28, as follows:

Provided, That the unexpended balance of the appropriation of \$55,000 contained in the Interior Department appropriation act, fiscal year 1932 (46 Stat. 1127), for purchase of sites for reservoirs, construction headquarters and administrative uses, is hereby made available for the same purpose until June 30, 1934.

Mr. KING. Mr. President, this provision of the bill is a good deal of a "joker." In the first place, there is no unappropriated balance; there is no item to which it refers. It is a misrepresentation of the situation wherein it seeks to convey the impression that an unexpended balance is being continued available. There is no unexpended balance in the amount or for the purpose indicated. An item was carried in the Interior Department appropriation act for the fiscal year 1932. The Indian Bureau sought in the deficiency bill for the fiscal year 1933 to have the item of appropriation continued available. It was not expended, I may say, and the effort was made to have it continued available. The language, however, was stricken from the bill at the request of the senior Senator from North Dakota [Mr. FRAZIER], who acted, as I am informed, on the request of the Flathead Indian Tribe. The language in the pending bill provides a new appropriation but seeks to disguise it as an authorization for the appropriation of an unexpended balance.

However, the proviso is objectionable for reasons more essential than the improper and misleading character of its language. It is claimed by the Indians that a long course of arbitrary action and of a lack of frankness in dealing with Congress lie back of this proviso. It entails an effort to deprive the Flathead Tribe of Indians of valuable lands.

To make the situation plain, I will state that at different periods, going back 20 years, the Indian Bureau has taken possession of lakes and reservoir sites belonging to the Flathead Indian Tribe. Some of these lakes, Mr. President, because of their beauty, are to-day worth thousands of dollars, indeed, tens of thousands of dollars for summer homes, resorts, and as suitable places for people who are seeking recreation in the summer, but the Indian Bureau has taken possession of 15 lakes without the consent of the Indians, and now, as I shall show in a moment, it seeks to deprive them of their fee-simple title for an inadequate sum.

Fifteen of such sites have been taken, with an acreage of 8,588.76. These areas have been made a part of the Flathead irrigation district; that is, they have been made such by the arbitrary action of the Indian Bureau. The irrigated lands of this district are farmed not by Indians but by whites. To be exact, of 52,649 irrigated acres, the Indians irrigate only 1,249 acres, while the whites own outright 48,348 acres of the irrigated lands.

Through these years the Flathead irrigation district has paid no rent to the tribe for these lands, nor has the Government paid the tribe one dollar.

The land in the areas in question is all land within or right under the reservoir sites of the district and is possessed of a perfect and a wholly prior water right. The value of irrigated land on the Flathead Reservation, as the Indian Bureau contends, is approximately \$50 an acre, as shown by the tabulation prepared by the irrigation division of the Indian Office, which appears at page 620 of the House appropriation hearings for the fiscal year 1934.

With this background of facts it will be possible for the Senate to appreciate the significance of the course of action through which the Indian Office has been engaged in connection with these reservoir sites.

During the hearings on the Interior Department appropriation bill for 1932 Mr. Clotts, the bureau's irrigation engineer, briefly described the reservoir sites. Keep in mind these are beautiful lakes of great value, covering more than 8,000 acres of land. He did not report that any appraisal had been made to determine the value of these sites, but stated that the bureau requested \$55,000 to be used in purchasing the sites from the tribe, and then added:

The appropriation of \$55,000 will dispose of the entire matter at one time.

The Indian Bureau's request for \$55,000 at that time was granted by Congress, though, as I contend, the entire situation was not understood by Congress; and thereupon the superintendent of the reservation, Mr. Coe, and an acting assistant to the bureau's irrigation director, Mr. Wathen, without consulting the Flathead Tribe, submitted an appraisal of the sites. They did not ask for a third party to make the appraisal, or seek to exercise the right of eminent domain, but they made the appraisal without consulting the Indians who owned the land.

I have stated that the Indian Bureau finds such acreage when irrigated to be worth \$50. But the Indian Bureau fixed, for class 1 agricultural lands, values ranging from \$3.50 to \$7 per acre, and for class 2 agricultural lands values ranging from \$3 to \$3.50 per acre.

As I have stated, the tribe was not consulted nor even notified when the effort was made to obtain the appropriation. On learning the facts the Indians assembled and the matter was laid before the Flathead Tribe. Superintendent Coe reported to Commissioner Rhoads, May 30, 1932:

After considerable discussion the matter was voted upon. The result was practically unanimous against a sale at this time.

The Indians, with entire propriety, insisted that the appraisal was indifferently low, and likewise that they were entitled to be paid, if the land was to be taken from them, rent for the sites for the many years during which the Government had attempted to occupy and claimed jurisdiction over them.

The title, it should be clearly understood, is in the Flathead Tribe; and the alienation of the land, if it shall be alienated, will take place in the present, but the value of the same will be as of a date 20 years back, under an appraisal made by the Indian Bureau, without the consent of the Indians and without the intervention of a court or of proper experts who have knowledge of the value of the lands.

I am told, Mr. President, that many persons would give thousands of dollars for some of those lakes, using them and the land around them for summer resorts.

On June 15, 1932, the tribal council of the Flathead Tribe sent to Commissioner Rhoads and to various Members of Congress an energetic protest against the entire scheme of the bureau, and as a result of this protest and of the facts

which, in my opinion, justified it, the Senate eliminated the item from the deficiency bill for 1933.

But the Indian Bureau, as usual, is not content to abide by the wishes of the tribe or by the actions of Congress.

Assistant Commissioner Scattergood appeared before the Appropriations Committee on November 21 last. His testimony is found at page 701 of the House hearings on the Department of the Interior appropriation bill for the fiscal year 1934. He insisted, of course, that the appropriation should be made and that this land should be acquired or taken from the Indians at the prices indicated.

After taking possession of the lands years ago, never paying them a cent, never having paid rent, what right have we to say now, "We will pay you \$55,000 for this land," when, as I am advised by persons who have visited it and by Indians who are familiar with it, the land is worth infinitely more?

If this land is indispensable for the needs of the Government, let the Government bring the necessary action for condemnation, and pay a reasonable price. Mr. President, there is no occasion for haste in this matter. Nothing will be done during the next few months. Further investigation should be made, and the wishes of the Indian owners should be considered and their interests fully protected.

Mr. SMOOT. Mr. President, this is simply a continuation for one year. It is approved by both Senators from Montana. They both desire the continuation for a year.

In the hearings, this question was brought up. In answer to Mr. HASTINGS, I want to read what Mr. Scattergood said:

Well, I am going to keep an open mind, Mr. HASTINGS, on the question of appraisal. All we were asking at the time was that the amount previously estimated to be sufficient to cover this item be continued available.

That is, for one year; and that is all they are doing.

I hope when the lands are reappraised they will take into consideration the number of years that each particular reservoir has been out of Indian possession, so that that will be an element in calculating the value, not exactly as if it were interest on the money but use and occupancy of that land would be a proper element to be taken into consideration in fixing that appraisal.

Again, he says in his testimony:

Now, in the ordinary course of work that was taken up last spring on the reservation, the superintendent and the project engineer submitted a proposed basis of settlement, utilizing the figures per acre from \$2.50 to \$10, those figures being the basis of compensation paid by the entrymen to the tribe at the time the reservation was opened, and it seemed that that same basis was a fair basis to be used.

As soon as this estimate came to the office I immediately sent it back and said, "Has this been submitted to the Indians; do they know about it, and do they approve it?" We felt they would be very much pleased, of course, to have this settlement made. Well, the Indians referred it to some others of their friends here, and the question was brought up as to whether or not this was a proper basis of valuation; also whether or not there had been taken into consideration the number of years involved in the use of each one of these reservoir sites; or, to put it the other way, that the Indians had been deprived of their use.

This is the Indian Commissioner. The Indian Commissioner says here that the \$2.50 to \$10 valuation is to be revalued. Both Senators from Montana asked that this provision be put in, and approved of it, and it was put in for that reason.

I want to assure my colleague that the revaluation is going to take place; and if this project is carried out, the valuation appraised will be entirely different than it was years ago, before the project was even thought of.

Mr. KING. Mr. President, I think my colleague is in error in stating that the Senators from Montana desire this. My information is just the reverse. If they should approve of this provision I should regard it with less concern, because I have confidence in them. However, they may be in error, as I may be in error in the position I have taken. Conceding that they approve, I still believe that no action should be taken at this time, that further investigation be made, and the Indians be further consulted in the matter.

Mr. President, the Indians protested against this provision of the bill, and the Senator from North Dakota [Mr. FRAZIER], the chairman of the Indian Affairs Committee, went before the committee and had it stricken from the bill.

I respectfully submit that my colleague is in error when he says that this is a continuing appropriation.

Mr. SMOOT. Mr. President, I did not say it was a continuing appropriation. I said the proposition is to extend it for a year—not that it is a continuing appropriation.

Mr. KING. Perhaps it is a difference of interpretation. An appropriation was made in 1932. That expired, and the Indian Bureau attempted in the deficiency bill to have it continued. Under the protest of the Senator from North Dakota [Mr. FRAZIER], as well as others, including the Indians, it was stricken from the deficiency bill. The appropriation now is dead, and the provision before us is a de novo appropriation.

Mr. SMOOT. I want to say to my colleague that he is mistaken. Somebody is giving him the wrong information.

Mr. KING. I have looked at the record.

Mr. SMOOT. It is not dead, Mr. President. It will be, however, unless we agree to this amendment extending it for another year.

Mr. KING. Mr. President, let us consider that life is not quite extinct, nevertheless, it is conceded that it needs vitalization by this amendment. My colleague admits that it will be dead if we do not vitalize it by this amendment.

Mr. SMOOT. That is true.

Mr. KING. If the appropriation in the beginning was wrong, we ought not to vitalize it.

The Indian wards of the United States have been plundered for more than a hundred years, and whenever attempts have been made to defend them and to protect their rights the Indian Bureau has usually been silent and derelict in asserting its authority for their preservation.

The result is, as I stated in the discussion this afternoon, that the inheritance of the Indians has been wasted and their advancement retarded, if not prevented.

Their lands, which were 133,000,000 acres in 1887, have now dwindled to 47,000,000 acres. Little by little they are being shorn of their possessions.

Mr. President, the Government will lose nothing by delaying the time when the title to these lakes may be acquired by it. The Government is using the lakes and reservoirs, the Indians will not take them away from the Government. The Government is using them not for the benefit of the Indians but for the benefit of the whites. The Government went upon the Indian reservation, and, ostensibly for the benefit of the Indians, inaugurated an irrigation project; but out of the lands which are being irrigated but approximately 1,000 acres are being irrigated by the Indians, whereas 50,000 acres are irrigated and owned by the whites.

Having taken so much from the Indians, the proposition now is to take away these beautiful lakes, and to give them \$55,000 for them. I say, let us postpone this, and make a proper investigation, and go into the courts, if necessary, and fix the value of the lands, if it becomes necessary that these lands should be taken for the purpose of adding to the irrigation activities of the Government.

Mr. SMOOT. Mr. President, again I say my colleague is mistaken. This is what was stated at the House hearings; and the Senator from Montana [Mr. WALSH] is here now, and he can say whether or not it is so:

So I took it up with the two Senators of the State, and the arrangement that was made, with their full approval, was that we would ask for a continuation of this item over into 1933, because there was not time to complete the settlement on any new basis before the expiration of the 1932 fiscal year, and then that we would send it all back to the reservation with the suggestion that a proper appraisal committee should be appointed, in which the Indians would have a representative and also the water users would have a representative, because they will be the ones eventually to pay this back to the Government.

I have already read the part as to where the reappraisal was to take place. All that this provision does is to extend this just exactly as was asked and agreed to by the two Senators from Montana.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Utah [Mr. KING].

Mr. WALSH of Montana. Mr. President, I trust this amendment will not prevail.

I desire to say in this connection that my colleague [Mr. WHEELER] recently, as a member of the Committee on Indian Affairs, has gone over the reservation, and is satisfied, as he informed the senior Senator from Utah [Mr. SMOOT], that this item ought to remain in the bill. This is the first intimation I have had that anybody was objecting to it.

Of course, this is quite aside from the general question of whether in the course of a hundred years the Indians have been treated right or have been treated otherwise. This provision has the approval of the department, and I can see no reason why it should be stricken out.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. KING. Does the Senator know that the Indians have violently protested against this, have not assented to it?

Mr. WALSH of Montana. I am quite aware that there is a group of Indians on the Flathead Indian Reservation who have been objecting to every appropriation that has been made by the Congress during all these years. That is quite aside from the question. The white settlers, who have paid for their lands on the Flathead Indian Reservation and put the money into the Treasury for the benefit of the Indians, paying big prices for their land, are entitled to some consideration from the Congress of the United States, as I have repeatedly asserted upon the floor of this body.

This provision is for the purpose of carrying through the irrigation project on the reservation which gave value to the lands. I repeat what I have so often said, that the project was outlined; the settlers upon the reservation had an opportunity to select their lands under the project and pay the increased price for lands which were subject to irrigation, or they had an opportunity to take their lands above the ditch, where they could not be irrigated. The lands under the ditch brought an increased price, \$7 an acre—a very high price for these lands—and that went into the Treasury for the benefit of the Indians, and they have the benefit of it. I insist that the project should be carried out in good faith as it was planned by the department.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield. I do not think the Senator from Utah will accuse either my colleague or myself of any lack of interest in or concern for the Indians in our State.

Mr. KING. No. If the acquisition of these lakes is important to the rounding out of the irrigation project, does not the Senator think it would be better and fairer simply to authorize the acquisition, instead of making an appropriation and saying, "We are going to pay you this \$55,000"? Why do that? Is not that a sort of threat to them that "That is all you will get"? If we were acquiring the lands of white people by condemnation, we would authorize them to go into court for the purpose of condemning the lands. We might make an upset price, but we would make provision for the owners of the lands to have a forum in which to determine their rights.

Mr. WALSH of Montana. There is no possibility of taking the lands of these Indians without paying for them. This appropriation is made for the purpose of meeting whatever agreement may be made or whatever condemnation proceedings may be instituted to pay the actual value of the property taken.

Mr. SMOOT. May I call the Senator's attention to what the department says?

Now, if \$55,000 proves not to be sufficient, and the appraisal committee brings in a larger amount, we can then come back to this committee for a supplemental appropriation.

They gave notice. They have already told us exactly what they would do, and they anticipate that it is going to be more than \$55,000, and so told the committee.

Mr. WALSH of Montana. Exactly. If these allotted lands belong to the Indians, they must be acquired either by contract with the Indian who owns the land or by condemna-

tion proceedings, and this appropriation, as I understand it, is to be made in anticipation of either agreeing with the individual Indians with respect to the matter or condemning the lands.

Mr. KING. Mr. President, may I say to my friend from Montana that the Government having taken possession of these lakes a number of years ago, and still holding and using them, is there any necessity for immediately forcing through the purchase?

Mr. WALSH of Montana. It is a part of the work of completing the project. We simply make this appropriation for the purpose of completing it.

Mr. KING. Would it not be better, if this is necessary, for the Indian Bureau to take the matter up with the Indians and try to agree upon a price, instead of obtaining an appropriation in advance, as if we predetermined the amount which the Government should pay?

Mr. WALSH of Montana. Not at all. It is a matter of no consequence at all whether the negotiations are carried on before or after the appropriation is made.

Mr. FRAZIER. Mr. President, I think the junior Senator from Utah is correct in his stand in this matter. The Indians have protested, and their affairs have been handled in this matter as they have in many others—over the protests of the Indians in the past. But it does seem to me that if the Indians are ever to be listened to they should be listened to now and given opportunity to say something about how their affairs should be conducted. It seems to me the amendment the Senator from Utah has offered should be agreed to.

Mr. WALSH of Montana. Mr. President, I think that is a very unfair statement. Nobody is endeavoring to interfere with the way the Indian affairs shall be conducted. This appropriation has nothing at all to do with the affairs of the Indians. The Indians have selected their allotments under the ditch, and the white people have selected lands under the ditch. This is no effort to control the affairs of the Indians at all. The Senator must bear in mind that the white people under the project have rights in this matter just exactly the same as have the Indians, who have not any lands under the project. This is no attempt to control the affairs of the Indians at all.

Mr. FRAZIER. Mr. President, the Senator from Montana just stated that the Indians of the Flathead Reservation protested all appropriations.

Mr. WALSH of Montana. Mr. President, the Senator from Montana did not say that. The Senator from Montana said that there is a group of Indians from the Flathead Indian Reservation who have protested against a lot of these things.

Mr. FRAZIER. The group happens to be the tribal council, and has been the tribal council since I have had anything to do with the Committee on Indian Affairs.

Mr. WALSH of Montana. Can the Senator put into the RECORD the protest the tribal council has made against this item?

Mr. FRAZIER. I have not the protest available right now; no.

Mr. WALSH of Montana. I must say that I have not had any protest from the Indians in this matter, and I usually regard myself as their representative. I have certainly taken care of any protests they have offered, and I have never heard any protest against this item.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. FRAZIER. Mr. President, I have an amendment to offer on page 18.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, line 1, the Senator proposes to strike out "\$114,430" and to insert in lieu thereof "\$103,521.67."

Mr. FRAZIER. Mr. President, this would strike from the bill \$10,908.33 that is comprised in salaries of some forestry men on the Klamath Reservation. Representatives of the Klamath Indians who are here in Washington, delegated by

their tribe to come here to represent them, appeared before the Committee on Indian Affairs of the Senate and asked that these items be stricken out.

Mr. SMOOT. Mr. President, I remember what was said in the committee, and I am perfectly willing to accept the amendment the Senator offers and let it go to conference; and in the meantime I will try to become familiar with it, and if the facts are as the Senator states, the amendment will remain in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota. The amendment was agreed to.

Mr. FRAZIER. Mr. President, on page 17 of the bill there is a paragraph beginning with line 9, which provides for an appropriation of \$197,000 for salaries of various forestry men, and so on. There is nothing in the bill to indicate what this money is for, and it is impossible to tell from the bill. In the hearings before the House committee, on page 571, Mr. Dodd, of the Indian Bureau, said that 61 employees are paid from this appropriation. The director of the forestry work gets \$5,800, the assistant gets \$5,000, and the remaining number from \$3,500 down to \$1,740.

The item includes forestry men, fire-control work, those engaged in looking after grazing on Indian reservations, and a thousand and one other things, including telephone-line building and road building. The appropriation is \$197,000.

Of course, this happens to be a gratuity appropriation from the Government, but it seems to me the money might practically all be saved by transferring the forestry work in the Indian department to the division handling forestry work in the Department of Agriculture. I believe that is where it should be. There are two high-salaried men engaged in this work under the Bureau of Indian Affairs, one at \$5,800, the other at \$5,000.

Mr. McNARY. Mr. President, will the Senator state what his amendment is? Does he desire to eliminate the whole item?

Mr. FRAZIER. I did not offer an amendment, because I do not know how to offer an amendment the way the bill is drawn.

Mr. McKELLAR. Mr. President, it seems to me there is a great deal in what the Senator has said about the matter, but we have no facts on which we could change the item at this time, and I suggest that the Senator come before the committee when the next bill is brought in, and not wait until we are in a hurry here. We can see then if we can arrange it. If it can be arranged, the money ought to be saved.

Mr. FRAZIER. Mr. President, I wanted to call the attention of the Senate to this matter. The junior Senator from Utah called attention to the fact that the method of appropriation should be changed so that in reading the appropriation bill we would know what the items are for. There are four or five items here, one on page 17, of \$197,000, which includes the fire-control work, forestry-force salaries; on page 18 there is an appropriation of \$40,000; on page 18 again another item of \$25,000 for fire-control work; and we can not tell exactly what the appropriations are for. Again, on page 18, line 16, there is an appropriation of \$50,000, some of which is to be taken out of the fund for fire-control work. There is absolutely no rhyme or reason in the way the appropriation bill is drawn, and it should be changed, and I hope that before the next appropriation bill is brought before us it will be changed.

The PRESIDING OFFICER. If there are no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

INVESTIGATION BY THE COMMITTEE ON INDIAN AFFAIRS

Mr. FRAZIER. Mr. President, I report favorably, on behalf of the junior Senator from Delaware [Mr. TOWNSEND], the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 322, which provides for an appropriation of \$400 from the contingent fund of the Senate to complete the work of the subcommittee of the Committee on Indian Affairs, looking toward the investigation of Indian lands which are escaping taxation. The Senator from Oregon [Mr. STEIWER] is chairman of the subcommittee. He has stated that he needs \$400 to complete his report and have it printed and make his recommendation.

I ask unanimous consent that the resolution may be acted upon at this time.

Mr. McNARY. Mr. President, has the resolution the approval of the standing committee having jurisdiction of the matter, and also the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. FRAZIER. It has the approval of the Committee on Indian Affairs, and also of the Committee to Audit and Control.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Indian Affairs, or any subcommittee thereof, authorized by Senate Resolution 282, agreed to June 25, 1930, to investigate the relationship between the Federal Government and those of the several States wherein are located Indian reservations or unallotted tribal lands, or any other Indian lands not subject to taxation by such States or political subdivisions thereof, with a view of developing a plan by which the Federal Government may contribute fairly and equitably toward the expenses of governmental activities in said States, hereby is authorized to expend from the contingent fund of the Senate \$400 in addition to the amounts heretofore authorized for such purposes.

ADJOURNMENT

Mr. McNARY. Mr. President, I move that the Senate adjourn until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 6 o'clock p. m.) adjourned until to-morrow, Thursday, February 9, 1933, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 8 (legislative day of January 10), 1933

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Roderick Nathaniel Matson, of Wyoming, to be envoy extraordinary and minister plenipotentiary of the United States of America to Greece.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 8, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, Almighty God, the light of another day has broken on our mortal vision. The angel of Thy face stands by us, bends above us, and Thou wilt be with us when all else fails. Duties await us, responsibilities are upon us. We should despair of the Republic if the high, stern note of Christian individualism were ever weakened. We praise Thee for all the powers with which we are endowed. In the whole range of them none is more sacred than the gift of free choice. We thank Thee that we are Thy rational offspring. May we this day solemnly renew our covenant and our dedication as the responsible servants of the public weal. May this consecration mean renewed, unstinted loyalty to those historic and traditional institutions which are the fruits of free and representative government. Inspire all of us with outstanding courage and conviction, and with a splendid moral sense that will stand up under the vacillations of human nature. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13520. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 565. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933.

The message also announced that the Senate had agreed to the amendments of the House to a bill and joint resolution of the Senate of the following titles:

S. 4165. An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class; and

S. J. Res. 167. Joint resolution to carry out certain obligations to certain enrolled Indians under tribal agreement.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 42. Concurrent resolution to compile, print, and bind the proceedings of Congress in connection with the exercises in memory of the late President Calvin Coolidge.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 88) entitled "An act to authorize the Postmaster General to investigate the conditions of the lease of the post office in Boston, Mass., and to readjust the terms thereof," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ODDIE, Mr. MOSES, and Mr. McKELLAR to be the conferees on the part of the Senate.

MERCHANTS AND FARMERS BANK, JUNCTION CITY, ARK.

The SPEAKER. Without objection, the Clerk will call bills on the Private Calendar unobjected to in the House as in the Committee of the Whole, beginning with No. 608.

There was no objection.

The Clerk called the first bill on the Private Calendar, H. R. 9476, for the relief of the Merchants & Farmers Bank, Junction City, Ark.

Mr. PATTERSON. Reserving the right to object, Mr. Speaker, it occurs to me that banks are usually very careful in paying out funds. It also occurs to me that if a private party were to cash a money order they would proceed to do it at their own risk. I am wondering if we should pay a bank because the bank cashed one of these money orders, when we would not pay it probably to a private party.

Mr. STAFFORD. Reserving the right to object, is the gentleman from Alabama objecting to the bill?

Mr. PATTERSON. I think we can not pass this bill just now.

The SPEAKER. Is there objection?

Mr. PATTERSON. Mr. Speaker, for the present—

Mr. PARKS. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Arkansas if he desires to make a statement.

Mr. PARKS. On last Thursday night, Mr. Speaker, a companion bill to this bill was passed. It was unobjected to. There was a full explanation about it. I do not remember whether the gentleman from Alabama [Mr. PATTERSON] was present at that time or not. I sincerely trust the gentleman will not object to this bill when the other bill was passed, unobjected to. It is not only a meritorious case, but it is a case in which the equities are all on the side of the bank. The postmaster had a bond that was absolutely inadequate—

Mr. BACHMANN. Will the gentleman yield?

Mr. PARKS. Surely.